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Why a Strong Economy Does Little for Dollar

Decline Fits Decades-Long Trend, Partly as Result of Solid Growth

Dow Jones	Trib Index
Up 18.12	Up 0.35%
5376.88	133.60

The Dollar

New York	Wed. close	previous close
DM	1.486	1.4855
Pound	1.546	1.5585
Yen	108.65	109.45
FF	5.0295	5.0285

Stocks Bounce Back

Positive earnings reports from such major companies as Intel, Ford and General Electric helped stocks recover Wednesday, but bulls and bears still disagreed on whether the market had hit bottom. Technology shares rose. Page 12.

By Erik Ipsen
International Herald Tribune

LONDON — The American economy is bubbling along these days, the envy of the industrial world in everything from job creation to sheer growth.

So why is the American dollar so weak?

After a long, slow upward grind over the last year, the dollar was pummeled this week even as fresh signs of American economic strength emerged.

"If you look at American growth rates or at American job creation the dollar should be doing well now," said Herman Theiler, a currency analyst with Union Bank of Switzerland in Zurich.

While the dollar's current weakness may seem baffling, the fact remains that its most recent swoon fits snugly within a decades-long trend of declining values versus the likes of the Deutsche mark and the yen.

Yes, a cup of coffee may cost $3 in a Geneva café and a simple sandwich $5 in Paris. But such seemingly outlandish prices aside, most experts find little surprising about either the level or the broad direction of the dollar, for it is some of the very strengths of the American economy that have only served to drag the dollar lower and lower.

"The dollar has been in long-term decline and quite rightly so," said Gerard Lyons, chief economist at the Japanese bank DKB International in London. Few experts disagree on anything more substantial than the ranking of the reasons for that slide.

Take trade, for instance. While the U.S. economy has far exceeded its major rivals for most of the decade in its ability to generate growth and jobs, that success has spawned an unfortunate side effect. It has exacerbated what has become America's chronic trade deficit, as Americans buy more from abroad.

A decade ago, America's total net assets abroad amounted to approximately 1 percent of its gross domestic product or GDP. Today, after years of widening trade and payments deficits, America ranks as the world's largest debtor economy. Its net overseas liabilities now equal 10 percent of its GDP.

For the currency markets that has meant a rising tide of dollars flowing out of the United States and into world circulation, as the United States meets the huge and mounting interest bills to its army of foreign creditors. That in turn has pushed down the value of the dollar, as the supply of the currency soars.

Similarly, the combination of America's huge budget deficit and low domestic savings rate has meant that a large portion of the bonds Washington must sell to pay its way each year have been sold to foreigners. In the short term the government is able, with a bit of help from abroad, to fund itself. In the longer term it has saddled itself with decades-long commitments to send dollars overseas as interest payments.

Another negative for the dollar is inflation. At present, analysts said, U.S. monetary officials have targeted an inflation rate of about 3 percent. Although that is good by recent American standards it compares poorly with the 2 percent or less targeted in Germany and much of Europe — much less in Japan, where prices have actually fallen in the midst of the long recession. Relatively high inflation cheapens a currency. In

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Terror Law Casts Its Net Unsparingly

By Lena Williams
New York Times Service

NEW YORK — In the three months since a tougher counterterrorism bill was signed into law, many immigrants who had been living legally in the United States for years have been placed in detention by the Immigration and Naturalization Service and are facing deportation.

Under provisions in the new law, any resident who is not a naturalized citizen and has been convicted of a crime in the United States, including most felonies and certain misdemeanors, can be detained without appeal and is not eligible for release on bond, according to INS officials.

U.S. official arrested in Hong Kong alien-smuggling. Page 4.

Many have been arrested as they tried to re-enter the country after trips abroad.

The new Anti-Terrorism and Effective Death Penalty Act, which President Bill Clinton signed on April 24 — on the first anniversary of the Oklahoma City bombing — was part of an omnibus crime package.

The law was intended to make it easier to prosecute anyone charged with committing or planning a terrorist attack, and it limited the number of legal appeals for prisoners on death row.

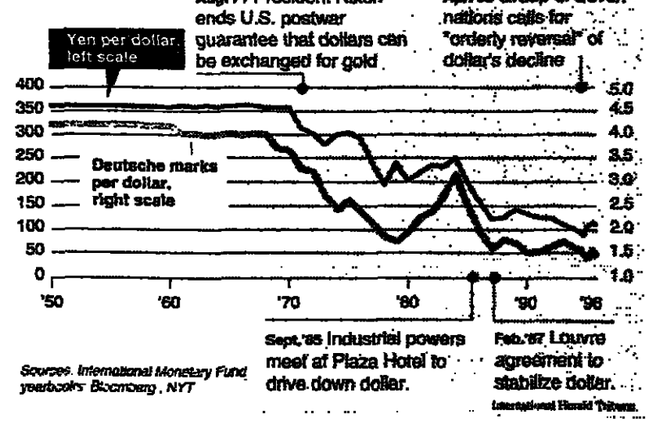
But immigration officials say the law also requires them to detain and deport aliens who have previously been convicted of a crime, no matter how long ago or how serious.

Among those being detained are lawful permanent residents —

See ALIENS, Page 7

The Long-Term Slide

Since the 1950s, the dollar has been on a downtrend, which accelerated in the early 1970s.



Sources: International Monetary Fund yearbooks; Bloomberg; NYT

International Herald Tribune

Vladimir Svetnovich/Reuters

ANOTHER BATTLE — Jubilant Russian soldiers riding away from the Chechen mountain village of Mekhety on a personnel carrier after seizing the town from separatist guerrillas. The separatists on Wednesday accused Moscow of abandoning a cease-fire and attacking several other villages in the region.

Washington Targets Global Warming

In a Switch, It Urges Firm Commitments and Quicker Action

The Associated Press

GENEVA — The United States unveiled a new policy Wednesday that urges countries to make binding commitments under international treaty to stop the earth's climate from overheating.

Timothy E. Wirth, the U.S. undersecretary of state for global affairs, said nations must commit themselves in the short term to capping emissions of so-called greenhouse gases, especially carbon dioxide.

The extent of the limits required would become clear once analysis was completed in the next year and a half, Mr. Wirth said.

He told a climate control conference in Geneva that, for the first time, scientists from around the world agree that human beings are altering the earth's natural climate system with profound consequences for the economy and quality of life for future generations.

It was now up to the world's policymakers to find a solution, he said.

The conference is being attended by representatives of the 150 nations that signed a climate control treaty in 1992.

"Sound policies pursued in the near term will allow us to avoid the prospect of truly draconian and economically disruptive policies in the future," Mr. Wirth said.

Once legally binding targets were set, nations should then be able to meet them by methods or policies appropriate to each country, he said.

■ Politically Difficult Move

John H. Cushman Jr. of The New York Times reported from Washington:

Although the Clinton administration has devised no specific target or timetable, its position signals a more aggressive campaign against climate change than the voluntary measures it endorsed in the past, and puts it on a course that promises to be politically difficult.

Environmentalists praised the new approach, but officials of the energy industry reacted skeptically, although they said that the impact of the plan would depend on the specific goals, which have not been spelled out.

The United States, with its huge appetite for energy, burns more fossil fuels than any other country in the world and its output of greenhouse gases has continued to rise despite conservation measures. Proposals for the stringent measures that would be required to reduce emissions have been politically explosive.

The Geneva talks are a prelude to a conference in Tokyo late next year where the signers of the treaty plan to set forth the next steps in heading off worldwide climate change. The admin-

See CLIMATE, Page 5

AGENDA

France Begins Military Cutbacks, Even in Germany

France will begin its military cutbacks, the Defense Ministry announced Wednesday.

Defense Minister Charles Millon said the moves had been carried out "in full consultation with Germany." German officials had complained that they had not been sufficiently consulted on the plans, including the move to end military conscription in France beginning next year.

The announcement Wednesday detailed that France will disband 38 of its 129 army regiments, and close barracks, army hospitals and air bases around the country. Eleven regiments stationed in Germany are included in the cutbacks.

These steps are part of the plan to cut the uniformed armed forces by the year 2002, to 350,000 from 500,000. The changes aim to give France armed forces that are professional and easily deployed. French troops in the future need to be able to intervene on an international scale to preserve peace, according to strategists. Page 6.

U.S. Says Allies Will Press Cuba

WASHINGTON (Reuters) — Secretary of State Warren M. Christopher said Wednesday that seven U.S. allies had told him they would work with Washington on an initiative to pressure Cuba to improve human rights and move toward democracy. "I think there's a commitment there," he said.

Earlier article, Page 7.

Joe Klein, for long the primary literary suspect.

'Anonymous' No Longer

NEW YORK (AP) — The Newsweek columnist Joe Klein identified himself Wednesday as the man who wrote "Primary Colors," the best-selling novel satirizing Bill Clinton's 1992 campaign for the presidency. More than 1.1 million copies are in print with the author listed as Anonymous. Page 20.

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U.S. Insists Karadzic Must Leave The Country

Belgrade Threatened With New Sanctions If Serb Leader Stays

By Raymond Bonner
New York Times Service

SARAJEVO, Bosnia-Herzegovina — Radovan Karadzic, the Bosnian Serb leader, must leave the country or economic sanctions will be reimposed on Serbia, according to a senior Western official.

Requiring Mr. Karadzic's departure goes significantly beyond earlier demands that he relinquish all power and his position as a party leader if elections are to go forward under the Dayton peace accord.

This was the message that Richard C. Holbrooke, the special American envoy to the Balkans, was believed to have carried to President Slobodan Milosevic of Serbia on Wednesday.

It was unclear how much time Mr. Milosevic would be given to comply or where Mr. Karadzic — who is under international indictment for war crimes — should go. Mr. Holbrooke acknowledged that he did not know if Mr. Milosevic could be persuaded, an official with knowledge of his plans said.

[Mr. Holbrooke met for four hours with Mr. Milosevic, the region's most powerful politician, The Associated Press reported from Belgrade.

["I cannot tell you we made any progress today and I will not characterize the talks except to say that they were inconclusive and in progress," Mr. Holbrooke said, adding that the talks would continue Thursday.]

Out of office and out of Bosnia are Mr. Holbrooke's "minimum" conditions for Mr. Karadzic's removal, said the official who knows of Mr. Holbrooke's plans. He declined to say what else the American envoy was to tell Mr. Milosevic.

The Bosnian Serbs have already been threatened with exclusion from the Bosnian elections later this year if Mr. Karadzic remains as chairman of the Serb Democratic Party.

Mr. Holbrooke, who negotiated the Dayton peace agreement last fall and then left government service, was called back by President Bill Clinton this week after the allies had been repeatedly outmaneuvered by Mr. Karadzic.

Just how much leverage Mr. Holbrooke can bring to bear on Mr. Milosevic to achieve compliance with the demands is unclear. Under the peace accord signed in Dayton, Ohio, the senior military and civilian overseers in Bosnia can reimpose economic sanctions. But for them to be effective, many countries would have to take quick implementing action. Major Western powers have shown little unity on the subject.

Only Germany fully endorses Mr. Holbrooke's ultimatum.

Russia, which feels that Mr. Karadzic has already surrendered enough of his power, is adamantly opposed to reimposing sanctions. Britain has strong objections and France is lukewarm, diplomats say, but they will keep their reservations quiet.

One question looming over Mr. Holbrooke's mission is whether the threat of sanctions would, in any case, be enough to turn around Mr. Milosevic.

The international economic sanctions imposed by the United Nations in the summer of 1992 were never fully ef-

See BOSNIA, Page 5

Earth's Molten Core Is a Planet Within a Planet

By William J. Broad
New York Times Service

NEW YORK — Scientists reported Wednesday they had found strong evidence that the Earth's inner core is spinning freely and slightly faster than the rest of the planet at a speed that laps the surface once every 400 years or so, making it virtually a planet within a planet.

Such inner freedom has never been reported before for any rocky body or planet in the cosmos or solar system, and scientists are calling the finding remarkable and surprising.

In all likelihood, the discovery will advance knowledge of how heat flows through Earth, how its interior evolved over the ages and how its magnetic field forms and periodically reverses.

It also promises to transform the study of faint seismic waves that travel through Earth, making the science more historical.

Earth's inner core is a solid mass of blistering hot iron slightly smaller than the Moon and very difficult to study because of its remoteness. But recent advances in seismic measurement and computer modeling are beginning to unveil some of its secrets.

Scientists have speculated about independent spin of the inner core for more than a decade and recently predicted it in some detail but have never before reported any evidence suggesting that it does in fact rotate freely of the rest of Earth.

The discovery was reported by Dr. Xiaodong Song and Dr. Paul G. Richards, both seismologists at Columbia University's Lamont-Doherty Earth Observatory in Palisades, New York.

Their findings were announced Wednesday at a news conference in New York City and will appear Thursday in Nature, the weekly British science journal.

Independently, a team based at Harvard University has also found evidence of the core's independent spin and has submitted a paper on the topic to Science, a weekly journal based in Washington.

"It's quite remarkable," Dr. David Stevenson, a planetary scientist at the California Institute of Technology in Pasadena, said of the two findings. "We've never had information about motions near the center of the Earth. It's one of

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Dm
Ivory Coast	1 250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	$1.20

MGM's Tortured Tale, Part III: Kerkorian Gets Studio for $1.3 Billion

By Alan Friedman
International Herald Tribune

PARIS — A storybook ending it is not. But the $1.3 billion sale of the legendary Metro-Goldwyn-Mayer by an ailing French state bank to a group led by one of America's most eccentric billionaire investors is certainly a twist worthy of Tinsel Town.

The latest buyer of MGM — the Hollywood studio that gave the world "Gone with the Wind," "Some Like It Hot" and "Rocky" and was once the home to stars such as Clark Gable, Judy Garland and Greta Garbo — is a consortium led by Kirk Kerkorian, the Armenian-American casino king and corporate raider.

The deal, meanwhile, leaves a French government company, which last year took over MGM from the Crédit Lyonnais banking group, with roughly $1 billion dollars of losses. The price being paid is also said to be less than had been hoped for by Lazard Frères of New York, advisers to the French sellers of MGM.

Mr. Kerkorian, 79, who was most recently in the news when he and the former Chrysler boss Lee Iacocca failed last year in a bid to take control of Chrysler, is actually buying MGM for the third time.

He first invested in MGM in 1969 and later sold and rebought pieces of the studio, including a 1986 sale to Ted Turner, the founder of CNN; a partial repurchase, and the ill-starred 1991 sale of MGM to Giancarlo Parretti, a controversial Italian financier with a police record that includes check-bouncing and fraud.

Mr. Parretti, who has faced various investigations by U.S. law enforcement authorities, was partly backed in his 1991 purchase by the late Steve Ross, the Time Warner chief who put up some of his group's money in exchange for a distribution deal. But Mr. Ross then found himself denying claims from the Italian that he was one of Mr. Parretti's close friends.

Yet most of the backing for Mr. Parretti, who moved to Beverly Hills and promptly acquired a $9 million mansion, a blue Rolls-Royce Silver Spur

See MGM, Page 7

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A Spy's Tale / **Fact or Fantasy?**

Agri-Giant On the Defensive

By Peter Carlson
Washington Post Service

WASHINGTON — "I was caught in the whirlwind," says Mark Whitacre. He's a 39-year-old biochemist with blond hair, blue eyes and a boyish demeanor. Even wearing the standard corporate gray suit, he looks too young and guileless to have spent two and a half years as an industrial spy, working by day with the highest officials of the colossal agribusiness corporation Archer Daniel Midlands Co. and reporting their activities to the FBI at night. He tells an amazing story of secret payments and secret tapes and high-level price-fixing.

Knowing what to make of it is somewhat complicated, for a few reasons. Mr. Whitacre neglected

Second of two articles.

to tell the FBI about some $6 million he received from ADM, as the corporation is known; he tried to kill himself after ADM fired him; he has, so far, no corroborators, or at least no one who has spoken publicly.

Dwayne O. Andreas, the chairman of ADM, disputes almost all of Mr. Whitacre's story — and offers another story, also uncorroborated, of thievery and betrayal. For now, both men have told their stories to the authorities, the grand juries are weighing evidence and the Justice Department has declined to comment.

Mr. Whitacre's story begins in the fall of 1989, when he was hired to run ADM's new bioproducts division. A Cincinnati native with a PhD from Cornell and executive experience at a German chemical company, Mr. Whitacre reported directly to Mick Andreas, Dwayne's son and ADM's executive vice president. His first task was to begin production of lysine, a corn-based amino acid used as a bulk-building feed for hogs and chickens.

ADM's strategy, Mr. Whitacre says, was to gain market share by undercutting the competition, which was dominated by two Japanese companies. This started a bidding war, he says, and the price of lysine plummeted from about $1.30 to 60 cents. At that rate, ADM was losing millions of dollars a month on lysine. But so, presumably, were its competitors.

In 1992, he says, Mick Andreas told him to start working with Terry Wilson, the head of ADM's corn-processing division. Mr. Whitacre says he had heard that Mr. Wilson was ADM's resident price-fixing expert. (Both Mr. Wilson and Mick Andreas declined comment on Mr. Whitacre's account.)

Within a few months, Mr. Whitacre says, he and Mr. Wilson had traveled to Tokyo and Mexico City to meet with executives of their two largest competitors, Ajinomoto and Kyowa Hakko. At those meetings, the executives discussed their mutual money-losing, but they did not fix prices. That, Mr. Whitacre says, would come later.

Meanwhile, back at the company's plant in Decatur, Illinois, Mr. Whitacre had problems with his lysine. He began to suspect that somebody was sabotaging the production. Maybe, he thought, it was one of his Japanese rivals.

He discussed the problem with Mick Andreas, he says, who authorized him to offer a knowledgeable Ajinomoto official a "finder's fee" to identify the saboteur. Later, Mr. Whitacre says, Mick Andreas authorized him to offer the official "a couple million dollars" to steal Ajinomoto's secret lysine technologies. Mr. Whitacre says he talked to the official over several months, but never consummated a deal.

Then, on Nov. 4, 1992, Mr. Whitacre says, Mick Andreas called him in and said, "My (expletive) dad called the CIA about the sabotage at the plant."

The CIA had passed the case on to the FBI. At that point, Mr. Whitacre says, Mick Andreas was afraid that the government would uncover ADM's attempts to steal technology and fix prices, and he instructed Mr. Whitacre to lie to the FBI.

But that night, sitting in a parked car in his driveway, Mr. Whitacre told an FBI agent, Brian Shepard, all about the price-fixing meetings and the attempts to steal lysine technology.

Within a few days, Mr. Whitacre agreed to serve as the FBI's mole inside ADM. For the next two and a half years, he says, he taped more than 1,000 conversations on recording devices hidden in his suit jacket, in a notebook and in a specially constructed briefcase provided by the FBI. He also helped the FBI to videotape a meeting in a Los Angeles hotel room in October 1993, where, Mr. Whitacre says, Mick Andreas and his competitors *conspired to divide up the international lysine market* and fix its price.

The conspiracy worked very well, he says, and in 1994, the price of lysine nearly doubled. "We were losing $4 million a month when Mick met with them in October '93," Mr. Whitacre says. "We were earning $7 million a month by the time the deal was implemented in '94. From a $4 million loss to a $7 million gain — that's an $11 million swing a month."

As a reward, Mr. Whitacre says, he received several secret offshore bonuses — about $6 million worth. The bonuses were laundered through a foreign bank so that Mr. Whitacre could avoid paying taxes on them.

After more than two and a half years of secret taping, the FBI raided ADM's headquarters on June 27, 1995, carting off documents and interrogating top officials, including Mick and Dwayne Andreas. The bureau announced that they were investigating price-fixing, not only on lysine, but also on citric acid and high-fructose corn syrup.

The resulting publicity was awful for ADM and Dwayne Andreas. The media started dredging up old stories of the company's previous adventures in the arena of price-fixing: In 1978, ADM pleaded no contest to charges that it had conspired with two other companies to fix prices on federal Food for Peace contracts. In 1982, the government filed an antitrust action involving ADM's alleged role in fixing the price of fructose, but a federal judge in Iowa dismissed it in 1991 for lack of evidence. In 1992 and 1994, ADM paid a total of $1.5 million to settle two civil suits alleging that it had conspired to fix the price of carbon dioxide. In neither settlement did ADM admit that it had done so.

In August, 1995, ADM fired Mr. Whitacre and three other executives, alleging that they had embezzled millions of dollars through offshore bank accounts. Mr. Whitacre responded that the payments had been authorized and, he says, he gave the FBI names of "a dozen" others who received similar payments. But his credibility was not helped by the fact that he had never told his FBI handlers about the bonuses.

A few days later, after writing 18 farewell letters, including a 40-page one to The Wall Street Journal, he tried to kill himself by sitting in his daughter's BMW in his closed garage with the engine running. His gardener rescued him, and he spent a week in the hospital.

Despite his well publicized suicide attempt and his allegations that he received illegal bonuses, Mr. Whitacre managed to land a job as the CEO of Biomar International, a new Chicago-area biotech firm. But he remains obsessed with ADM, pacing intensely around Biomar's conference room as he tells the story of his adventures as a double agent. He says he hopes his old bosses are indicted. At a trial, he contends, his tapes will corroborate his story. "Everything I've got to say is on tape," he promises.

"I'm not going to talk about that," says Dwayne Andreas.

That's not surprising. While ADM has denied all of Mr. Whitacre's allegations, Mr. Andreas has not spoken publicly about the price-fixing investigation since the FBI's raid.

But he does talk about why ADM agreed to pay $25 million to settle a civil suit brought by customers who claimed they were harmed when the price of lysine was allegedly fixed. "When you have 50 lawyers suing you and you can get rid of them for $25 million," he says, "you'd be an utter fool not to do it."

Mr. Andreas says that this whole bizarre affair does not trouble him. "It doesn't seem to have bothered me any," he says. "Our business goes on just the same."

There has been a lot of bad publicity, he concedes, but he doesn't worry about that. "We're not in the publicity business. We don't make any consumer goods. We don't sell anything to the public. Naturally, we don't like bad publicity, but what does it do? As long as we didn't do anything wrong — and I know we didn't — it can't be a very big problem for me."

Stephen Wagniewski/Herald & Review (Decatur, Illinois)

Mark Whitacre, above, contends that secret recordings of 1,000 conversations he made for the FBI show that ADM engaged in price-fixing.

Dwayne O. Andreas, the ADN chairman, disputes Mr. Whitacre's story, and accuses the biochemist of thievery. Grand juries are weighing the evidence.

Hope for Indian Inmates In Canada Healing Lodge

By Clyde H. Farnsworth
New York Times Service

MAPLE CREEK, Saskatchewan — Four years ago, Bridget Bruyere, 24, a Saulteaux Indian from Fort Alexander, Manitoba, was a prostitute in Winnipeg. She picked up a customer, accompanied him to his apartment, and knifed him to death.

Convicted of second-degree murder and sentenced to prison, she spent time in two other correctional institutions — "where you open your windows and all you see is bars" — before her transfer in February to an unusual facility nestled in wooded hills near Maple Creek, a town of 2,500 in the cattle country of southwest Saskatchewan. Now, she talks of her joy at being able to see trees and sky from her windows and go on walks amid the sage and prairie grass.

But the Okimaw Ohci Healing Lodge, which opened last November at a cost of $9.2 million, is more than a prison without bars and walls. It is the first Canadian penal institution specifically designed for Indian offenders.

The federal designers of the program hope that by embracing native customs like sun dances, sweat lodges, and ceremonies involving smudge from the smoke and ash of sweet grass, up to 30 inmates will regain a sense of self-worth while learning skills needed to return to the world.

After eight months of operations, Norma Green, the warden, said she saw "great improvement" in the 14 women inmates.

"They have all endured some kind of abuse — physical, emotional, sexual, psychological," she said. "They will be able to deal with these issues and will not be back within the corrections system."

Ms. Bruyere, who quit school at grade nine but is now taking courses that will give her high-school equivalency and a knowledge of computers, said: "I can honestly say if drugs were offered me now, I'd be able to say no."

Denise Morning Cloud, 34, convicted on two counts of manslaughter, was having coffee with Ms. Bruyere in the common room where guards, warden, deputy warden, prisoners, and elders take meals together. "It helps quite a lot to know you're trusted, that people believe in you," she said.

Indians make up about 3 percent of Canada's overall population of 30 million, but are a far greater proportion of the prison population. The discrepancy is especially acute in Saskatchewan, where Indians are 10 percent of the population but nearly three-quarters of the inmates.

"The overrepresentation of aboriginal people in federal, provincial, and territorial court systems and prisons casts a long shadow over Canada's claim to be a just society," said a Canadian Royal Commission on Aboriginal Peoples last February.

Despite such stern criticism, Canada has begun to develop culturally based corrections programs.

Sweat lodge ceremonies now take place routinely at many prisons in the prairie provinces. "There is no question in my mind that these serve as a powerful agent for change for many fellows who are searching for their identity," said Allan MacLean, assistant warden of correctional programs at the Stony Mountain Penitentiary for men just north of Winnipeg.

Native sentencing circles are also spreading as an alternative form of justice where defendant, victim, families of both, and tribal leaders sit down together to work out a punishment, which usually emphasizes restitution and reconciliation more than retribution. But the rulings are subject to appeal to Canadian judges.

The Canadian government is now studying a royal commission recommendation that would give natives the right to administer their own complete criminal-justice system.

The Okimaw Ohci lodge — the name is Cree for Thunder Hills — is the most radical of all the reforms. It is about 40 miles (about 65 kilometers) north of the Montana border in uplands that have long been considered sacred by the Indians.

Prisoners are called residents and live in their own individual town-house units, which can be adapted for live-in children. A nursery is ready, but final approval has not yet come to allow children. Practically all the staff are Indians.

But interviews with Maple Creek residents suggest the public is not fully behind the project.

"The real world is nothing close to the way they are living up there," said Erin Dornstauder, 22, a guide at the Ford Walsh National Historic Park near here.

Omar Murray, 41, a local rancher, said he had trouble with the concept of dividing natives from other people. "Any time you separate one group from another you're going to have hard feelings between the groups."

But another rancher, David Guenther, 45, insisted something had to be done because the "current justice system isn't working for the natives."

He said, "It's way more economic to rehabilitate people like that than to keep sending them back to jail."

Madras Gets Tamil Name

Reuters

NEW DELHI — Madras, the capital of the southern Indian state of Tamil Nadu, is to be renamed "Chennai," the name of the city in the local language, the state's chief minister said Wednesday.

The Press Trust of India news agency said Chief Minister Muthuvel Karunanidhi had made the decision to rename the city, the oldest British settlement in India.

Mr. Karunanidhi's Dravida Progressive Party espouses Tamil pride and culture.

Madras has lent its name to numerous products over the years, including cotton, silk and pickles.

Homeless Strike Back At Nice's Begging Ban

Reuters

NICE — Four French homeless people in the Mediterranean resort town of Nice have hit back at a law against begging by filing a lawsuit alleging illegal detention, their lawyer said Wednesday.

The four, who deny that they had been begging, said they were illegally held, driven by the police to a municipal hostel 15 kilometers (nine miles) out of the city, questioned and then abandoned with no transport back to Nice.

Several French towns, mainly resorts like Nice, which is run by a rightist mayor, Jacques Peyrat, have introduced rules outlawing begging to discourage the poor and homeless, fearing they damage tourism.

The lawyer representing the four, Joseph Ciccolini, will sue for "restrictions on individual liberty commited by a public official." One of the homeless people is paralyzed in one leg and has a pacemaker.

Civil rights groups have assailed the laws as illegal and a sign of creeping intolerance in France. Last year, the conservative prime minister, Alain Juppé, denounced the measures as "municipal egoism."

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TRAVEL UPDATE

Strike Set for London Underground

LONDON (AP) — London's subway system is due to be halted by a strike on Thursday after negotiations broke down between drivers' unions and London Transport managers.

The two sides are involved in a long-running dispute over reducing the work week by one hour, to 37.5 hours.

The unions, which represent 2,000 drivers on the London Underground, announced last week that they would stage nine one-day strikes. They start Thursday and are scheduled to end Sept. 9. The unions contend that management reneged on an agreement to cut the work week.

U.S. Wary of Forcing Smoking Ban

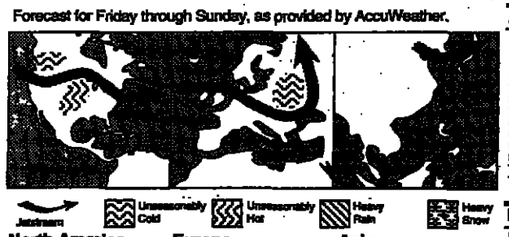
WASHINGTON (AP) — Passing a bill to ban smoking on flights to and from the United States could undermine efforts to persuade other nations' airlines to do it themselves and jeopardize international aviation agreements, the Clinton administration says.

Other witnesses opposing the proposed legislation told a House subcommittee that the bill was illegal and would punish people who would not conform to what the U.S. government thinks is right. Advocates urged immediate passage, largely for health and safety reasons.

Pilots at Kazakstan's national airline appealed to the government Wednesday to set up a bailout plan that would save the carrier from bankruptcy and preserve the jobs of its 20,000 employees. *(AP)*

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.



North America
Sizzling heat will bake the midsection of the nation, while the Western states experience a warming trend. Thunderstorms will rumble through Washington D.C., Boston, New York and Philadelphia Friday, then it will turn dry and seasonable. Atlanta will be muggy; a thunderstorm possible.

Europe
Dry and warm Friday in London, Berlin, Paris and Amsterdam, then showers are possible this weekend. Madrid will be dry and hot, while Moscow will be cool with showers possible through Saturday. Warsaw will be dry with increasing amounts of sun and a warming trend.

Asia
Tokyo and much of Japan will continue to be very warm and muggy with a spotty thunderstorm now and then. Beijing and Seoul will have seasonable temperatures with thunderstorms in spots. Hong Kong and Singapore will be hot and steamy with a stray thunderstorm possible each afternoon.

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	28/82	18/64 pc	28/82	19/66 pc
Amsterdam	22/71	17/62 pc	23/73	18/64 pc
Ankara	33/91	17/62 pc	34/93	19/66 pc
Athens	33/91	22/71 pc	33/93	21/70 t
Barcelona	28/82	22/71 pc	28/82	22/71 pc
Belgrade	29/84	12/53 pc	23/73	16/60 pc
Berlin	18/64	10/50 pc	22/71	13/55 pc
Brussels	24/75	15/59 pc	28/73	17/62 pc
Budapest	27/80	14/57 t	24/75	13/55 pc
Copenhagen	19/66	11/52 pc	22/71	14/57 s
Costa Del Sol	28/82	21/70 pc	29/84	22/71 pc
Dublin	23/73	14/57 pc	23/73	15/59 pc
Edinburgh	18/66	14/57 pc	20/68	15/59 pc
Florence	30/86	16/61 pc	27/80	14/57 pc
Frankfurt	22/71	9/48 sh	25/77	13/55 pc
Geneva	27/80	16/61 pc	28/73	18/61 s
Helsinki	17/62	10/50 sh	18/64	12/53 sh
Istanbul	30/86	20/68 pc	30/86	19/66 pc
Las Palmas	24/75	19/66 s	24/75	20/68 s
Lisbon	27/80	18/64 pc	26/79	18/64 pc
London	25/77	12/53 s	28/73	18/64 pc
Madrid	34/93	11/52 pc	33/91	18/64 pc
Mallorca	28/82	23/73 pc	26/79	22/71 pc
Milan	30/86	17/62 pc	28/82	17/62 pc
Moscow	21/70	10/50 pc	20/68	11/52 pc
Munich	22/71	10/50 pc	23/73	12/53 pc
Nice	28/82	19/66 pc	27/80	18/64 pc
Oslo	17/62	8/46 pc	24/75	15/59 pc
Paris	27/80	13/55 s	29/84	16/64 s
Prague	22/71	9/48 t	22/71	11/52 pc
Reykjavik	14/57	12/53 sh	14/57	11/52 r
Rome	28/82	17/62 pc	27/80	14/57 pc
St. Petersburg	17/62	6/43 sh	17/62	8/46 sh
Stockholm	18/64	11/52 sh	21/70	13/55 sh
Strasbourg	25/77	13/55 pc	30/86	16/61 s
Tallinn	17/62	11/52 sh	19/66	12/53 sh
Venice	28/82	17/62 pc	26/79	17/62 pc
Vienna	22/71	11/52 pc	23/68	12/53 pc
Warsaw	19/64	8/46 sh	18/64	10/50 sh
Zurich	28/79	13/55 pc	25/77	14/57 pc

Oceania

Auckland	14/57	9/48 c	14/57	9/48 pc
Sydney	16/61	9/48 c	17/62	8/46 pc

Middle East

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Abu Dhabi	36/97	31/88 t	36/100	29/84 s
Beirut	31/88	22/73 s	32/89	24/75 s
Cairo	34/93	21/70 pc	37/99	23/73 s
Damascus	35/95	20/68 s	32/89	19/66 s
Jerusalem	29/84	19/66 s	29/84	19/66 s
Luxor	39/102	24/75 s	41/106	23/73 s
Riyadh	37/99	28/82 s	39/102	25/77 s

Africa

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algiers	28/82	23/73 c	31/88	23/73 pc
Cape Town	19/61	5/41 s	19/66	6/43 s
Casablanca	23/73	19/64 s	24/75	19/64 s
Harare	22/71	10/50 c	23/73	12/53 c
Lagos	29/84	23/73 c	29/84	24/75 c
Nairobi	19/66	9/48 t	22/71	9/48 t
Tunis	29/84	20/68 s	32/89	21/70 pc

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Bangkok	33/91	26/79 c	33/91	25/77 pc
Beijing	30/86	22/71 t	32/89	24/75 pc
Hong Kong	31/88	27/80 pc	31/88	29/79 pc
Manila	30/86	26/79 pc	31/88	25/77 pc
New Delhi	39/102	27/80 pc	39/102	28/82 pc
Seoul	27/80	21/70 sh	29/84	23/71 pc
Shanghai	35/95	27/80 pc	35/95	27/80 pc
Singapore	31/88	23/73 pc	32/89	23/73 pc
Taipei	34/93	24/75 pc	33/91	25/77 pc
Tokyo	32/89	24/75 pc	31/88	22/71 pc

Latin America

Buenos Aires	13/55	7/44 pc	14/57	7/44 pc
Caracas	31/88	25/77 pc	32/89	25/79 pc
Lima	19/64	16/61 c	18/64	15/59 pc
Mexico City	24/75	12/53 sh	23/73	12/53 pc
Rio de Janeiro	22/71	17/62 pc	24/75	18/64 pc
Santiago	10/50	5/41 pc	12/53	2/35 pc

North America

Anchorage	19/66	13/55 sh	21/70	11/52 pc
Atlanta	33/91	22/73 pc	33/91	23/73 pc
Boston	34/93	21/70 s	29/84	18/64 pc
Chicago	32/89	22/71 pc	29/84	20/68 pc
Dallas	36/97	26/79 s	36/97	24/75 pc
Denver	35/95	17/62 s	35/95	17/62 s
Detroit	32/89	21/70 pc	29/84	19/66 pc
Honolulu	31/88	24/75 s	31/88	24/75 pc
Houston	34/93	25/77 pc	35/95	24/75 pc
Los Angeles	31/88	17/62 pc	32/89	18/64 pc
Miami	32/89	27/80 s	32/89	25/77 pc
Minneapolis	30/86	21/70 t	31/88	21/70 pc
Montreal	27/80	10/50 sh	23/73	10/50 pc
Nassau	31/88	24/75 pc	32/89	25/77 pc
New York	32/89	24/75 s	32/89	22/71 pc
Phoenix	38/100	29/84 pc	42/107	29/82 s
San Fran.	21/70	13/55 s	21/70	13/55 s
Seattle	21/70	13/55 c	21/70	13/55 sh
Toronto	29/84	17/62 pc	29/82	17/62 t
Vancouver	18/61	12/53 r	21/70	9/48 sh
Washington	33/91	24/75 s	33/91	23/73 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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Austria +	022-903-014	Guam	950-1366	New Zealand	0-800-760-877	Turkey +	00-800-1-4477
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Bahrain	800-777	Honduras ▲	121	Nicaragua (all other)	02-171	United Arab Emirates +	800-131
Barbados +★	1-800-534-0042	Hong Kong	800-1877	Norway +	800-19877	United Kingdom (BT)	0800-89-0877
Belgium +	0800-10014	Hungary +	00◆800-01-877	Palau +	03-222	United Kingdom (Mercury)	0500-89-0877
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China +	108-13	Japan (KDD) +	0039-131	Romania +	01-800-0877		
Colombia	980-13-0010	Jordan	18-800-777	Russia (Moscow) +	155-6133		
Costa Rica +	0800-013-0123	Kenya ★	0800-12	Russia (all other) +	8095-155-6133		
Croatia +	99-385-0113	Korea (Dacom) +	0039-13	St. Lucia ◇★	1-800-277-7468		
Cyprus +★	080-900-01	Korea (KT) +◆◆	009-16	Saipan (Tinian & Rota) +	1-235-0233		
Czech Republic +	0042-087-187	Korea (Dacom) +‡	550-2425	Saipan (all other)	235-0233		
Denmark +	800-1-0877	Korea (KT) +Σ	550-3663	San Marino +	172-1877		
Dominican Republic +▲	1-800-751-7877	Kuwait	800-777	Saudi Arabia	1800-16		
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THE AMERICAS

Bipartisan Look Finds America Lacks a Clear View of Its Vital Interests

By Joseph Fitchett
International Herald Tribune

PARIS — Lacking a clear definition of America's vital interests, the U.S. government has confused public opinion and increased the risks that the country will fail to respond adequately to major threats, according to a study released Wednesday.

The study, entitled "America's National Interests" and written by former officials and experts from both U.S. political parties, aims at focusing decision-makers and public opinion-leaders on fundamentals that should be at the heart of a foreign policy consensus.

In the absence of clear priorities, U.S. leaders are unable "to explain persuasively how and why specific expenditures of American treasure and blood deserve support," it said.

To concentrate resources, the study concluded, the nation should focus on a very short list of interests essential to its survival.

It found only five "cardinal challenges for the next U.S. president," namely: coping with China; preventing the proliferation of nuclear, biological and chemical weapons; maintaining strategic ties with Japan and the European allies; helping Russia avert civil war or authoritarianism, and maintaining enough U.S. military strength to protect these vital interests.

Some issues which have aroused strong outrage and calls for action but which the study relegated to less important categories, included genocide, terrorism, uncontrolled immigration, Mafia crime and drug trafficking and Islamic extremism. Balancing the trade deficit and spreading democracy — strong themes of Clinton administration policy — were rated as minor U.S. interests.

The lack of guiding criteria has undermined the foreign policy performance of the Clinton administration, the study implies. Washington settled on the right U.S. response in Bosnia, committing troops when they were essential to the European allies, the study found.

But the Clinton administration is faulted for sowing dangerous ambiguities in U.S. relations with Beijing at a time when the Chinese look forward to "re-establishing what in their eyes is a natural hegemony in Asia" and for missing an opportunity to secure tighter control over Russian nuclear materials.

The study, sponsored by a consortium of institutions, including the Center for Science and International Affairs at Harvard, the Nixon Center for Peace and Freedom and the RAND Corp., was produced by a small group drawn from the nation's foreign affairs elite.

Signatories included Robert Ellsworth, an adviser to Bob Dole, the expected Republican presidential nominee; Andrew Goodpaster, a former military head of NATO; Graham Allison of Harvard, until recently a Clinton administration defense official; Senator Sam Nunn, a Georgia Democrat; Senator John McCain, an Arizona Republican; James Thomson, head of RAND; and former government officials, including Richard Armitage, Robert Blackwill, David R. Gergen and Brent Scowcroft.

Their conclusions stressed the importance of singling out threats to the survival of the United States as a free nation. These "vital" interests should prompt the United States to fight, if necessary without allied assistance.

They amounted to preventing five threats: an attack on the United States with weapons of mass destruction; the emergence of a hostile power dominating Europe or Asia; the emergence of a hostile power controlling the seas or on the U.S. borders; the collapse of U.S. allies, and the catastrophic collapse of the global trade, financial, energy or environmental system.

In this view, Washington would be mistaken to seek trade leverage — a minor interest — by threatening to dilute the U.S. partnership with Japan, a vital interest. The overriding importance of this tie, the report said, can be measured by the emergence of "the Chinese juggernaut, the world's largest non-status quo power."

Clinton Aide Denies Hiding Cash

By Stephen Labaton
New York Times Service

LITTLE ROCK, Arkansas — In an often confrontational cross-examination, a Whitewater prosecutor has taken on Bruce Lindsey, President Clinton's longtime friend and top aide, and suggested that he might have illegally conspired to hide large cash withdrawals by the 1990 Clinton campaign for governor of Arkansas.

The prosecutor said Tuesday that Mr. Lindsey might have wanted to conceal the transactions for fear they would emerge in a later presidential campaign and be perceived as an effort to buy votes.

Mr. Lindsey, now deputy White House counsel, was the Clinton campaign's treasurer in 1990, and he has been listed as an unindicted co-conspirator with two Arkansas bankers on trial for concealing the cash withdrawals and reimbursing themselves from their bank for campaign contributions.

Appearing Tuesday on behalf of the defense, he repeatedly asserted his innocence and flatly contradicted the government's main witness, a former bank president who has implicated all three men in the purported scheme to hide the cash withdrawals.

The charges against them were brought by the office of the Independent Counsel investigating Whitewater and related matters.

The trial centers on the 1990 campaign's relationship to the Perry County Bank, a tiny Arkansas facility that held the campaign's deposits.

The bank failed to file federal reports showing that the campaign had withdrawn $30,000 in cash on the eve of the primary election and $22,500 on the Friday before the general election.

Until Tuesday, prosecutors had never said why the 1990 campaign would have wanted to conceal those transactions.

Mr. Clinton's aides have said the money was spent on a last-ditch media blitz and to pay for a variety of legitimate expenses. The campaign has never provided a precise breakdown of who received how much money. But Mr. Lindsey said Tuesday that it was generally spent in small amounts on such mundane things as gasoline for drivers who took voters to the polls, lunch for campaign volunteers and cards handed out at precincts.

Prosecutors had not said why the campaign would have wanted to conceal the transactions.

Mr. Lindsey testified that the campaign spent $42,500 to get out the vote in November 1990, about $20,000 more than the cash withdrawal from the Perry County Bank. He declared that the additional cash had come from safes at the Clinton campaign headquarters and at his law firm.

"They could allege you were buying votes?" asked W. Hickman Ewing Jr., a deputy Whitewater prosecutor, referring to Mr. Clinton's opponents in 1990.

"They could make that allegation," Mr. Lindsey replied, but he said that would be a false allegation.

"Somebody in 1992, if they found out about that cash withdrawal, they could've made that allegation in 1992?" Mr. Ewing asked.

"My concern was in the three days before the election," Mr. Lindsey said.

He explained that he feared political opponents might use such information in political advertising that the Clinton campaign would not have the time or opportunity to rebut.

Mr. Lindsey said that he had arranged for the large cash withdrawals in 1990 to be concealed from potential political opponents in Arkansas by writing smaller checks for them and that he had never instructed anyone not to file Federal Currency Transaction Reports. Such reports are required by law for all cash withdrawals or deposits totaling more than $10,000.

Mr. Lindsey's four-hour stint on the witness stand was the high point of the 16-day trial of Herby Branscum Jr. and Robert Hill. They own the Perry County Bank and have been accused of conspiring with Mr. Lindsey to hide the cash withdrawals.

During his questioning, Mr. Ewing read parts of a memorandum, which he called a kind of budget sent to Mr. Clinton, that he said was prepared in 1990 by Carol Willis, a campaign aide responsible for the get-out-the-vote drive.

Mr. Ewing said the memo said that Miss Willis needed money for "preventative maintenance" and that "in every campaign" there were individuals who could assist in the campaign's efforts with their "personal prestige," suggesting that they were somehow paid off for their help.

Mr. Lindsey said he had not seen the memo in 1990.

"Was there money for walking around or fire fighting or emergencies on Election Day?" Mr. Ewing asked.

"I'm not sure I would describe it that way," Mr. Lindsey replied. "By emergency, I would agree that there were certain contingencies on Election Day."

Gregory Smith/The Associated Press

GATOR ATTACK — Alexandre Teixeria, 7, left, being visited by his brother and sister in a Miami hospital. He was attacked by an alligator in the Everglades.

Away From Politics

• **A federal judge has dismissed a libel suit** brought by the Church of Scientology International against Time magazine over a 1991 article that described Scientology as "a hugely profitable global racket that survives by intimidating members and critics in a Mafia-like manner." *(WP)*

• **The defense team for the "Unabomber" defendant,** Theodore Kaczynski, is getting a key new player — a lawyer who helped Susan Smith avoid the death penalty for killing her two young sons. Judy Clarke, a federal defender in Spokane, Washington, will become a co-counsel for the defense. *(AP)*

• **Women who use drugs during pregnancy** can be prosecuted for child abuse, according to a divided state supreme court in South Carolina. The 3-to-2 ruling marked the first time a U.S. state high court has approved such prosecutions. *(Reuters)*

• **A former Boy Scout leader** who said he enjoyed the "power and domination" of killing was executed in the electric chair in Lincoln, Nebraska, for murdering two boys in 1983. John Joubert, also a former airman, stabbed and slashed Danny Jo Eberle, 13, and Christopher Walden, 12, near the air force base where he was stationed. *(AP)*

Clinton Will Seek to Limit Welfare Benefits to 2 Years

By Adam Clymer
New York Times Service

FAJARDO, Puerto Rico — President Bill Clinton has announced that he is taking action to require welfare recipients to go to work within two years, and he said they will lose benefits if they do not.

Mr. Clinton made the commitment Tuesday in a speech broadcast by satellite to the National Governors' Association, which is holding its 88th annual meeting in Puerto Rico. He spoke minutes after Bob Dole, the presumptive Republican presidential nominee, addressed the group by satellite and attacked Mr. Clinton for moving too slowly on welfare. Mr. Dole said the president looked down on state governments, requiring them to "beg for approval from Washington."

The president said his directive embodied the central idea of the welfare measures pending before Congress, "that anyone who can work must do so." He added, "We'll say to welfare recipients: Within two years, you will be expected to go to work and earn a paycheck, not draw a welfare check."

Republicans at the meeting derided the move as an election year ploy.

The president said he would direct Donna E. Shalala, the secretary of health and human services, to issue regulations making the change.

Mr. Clinton said the new requirement would be unnecessary if Congress passed a welfare bill he could sign. Legislation proposed by congressional Republicans would allow states to impose such a requirement and would also give the states great freedom in administering welfare. The bill calls for using federal welfare funds to give the states lump-sum payments that they could use as they wished to help the poor.

POLITICAL NOTES

Republicans Dream of MTV

WASHINGTON — Republican strategists have been watching entertainment television, and now, they say, they understand why their 1992 convention flopped. It was dull.

This year, the Republicans are taking no chances with boredom. Almost all convention speeches will be under five minutes — and even the keynote address is scheduled to come in at under 10. They will alternate with video screen displays of regular folks describing problems that Bob Dole, the probable nominee, hopes to emphasize and promise to fix.

"We've looked at modern television, and we've looked at what keeps people's attention," said Paul J. Manafort, the convention manager for the Dole campaign. "We've taken a look at the opportunities that a national convention can provide in the modern age, as opposed to the late 1900s. And we've tried to create a program which is exactly that — a television program that has a political message."

Television programs, evidently, do not feature spontaneous debate or stemwinding speeches.

Instead, the Republicans' podium is supposed to become "a point of narration," and all the people players in a production choreographed to excite core Republican voters about Mr. Dole, while attracting swing voters, roughly 20 percent of the electorate. *(NYT)*

Scratch Chelsea's Speech

WASHINGTON — Chelsea Clinton will not make her first public-speaking appearance at the Democratic National Convention, the White House said Wednesday.

The press secretary, Michael McCurry, emphatically denied reports that Chelsea Clinton, 16, was being considered as a speaker in Chicago next month.

"That was never an idea that was under consideration by the first family," Mr. McCurry said. "There was some speculation outside the first family." He said Chelsea probably would attend the convention. *(AP)*

Perk for Republican Donors

WASHINGTON — Here's a new benefit of being a big giver to the Republicans: Olympics tickets.

The Republican National Committee scored a bloc of the hard-to-obtain tickets and offered them — at cost — to members of the Chairman's Advisory Board, donors who give at least $5,000.

The Republicans' press secretary, Mary Mead Crawford, described the ticket offer as a "fulfillment" thank you, "just like if we had a night at the opera — you could opt for it."

She said 36 donors snapped up the offer. They pay their transportation and hotel costs as well as reimbursing the Republican committee for the tickets.

Ms. Crawford would not say how the tickets were obtained.

Charles Lewis of the Center for Public Integrity said the availability of Olympics tickets to Republican donors was troublesome because they did not have to go into the ticket lottery like everyone else. *(WP)*

Quote/Unquote

Ross Perot, founder of the Reform Party, promising not to say a critical word about any of his opponents: "You see, one of the problems with politics is if your mother got in your way, you'd run her over with an 18-wheeler. See, war has rules. Mud wrestling has rules. Politics has no ethical rules. Politics desperately needs those." *(AP)*

Act of 'Public Art' Snarls Seattle

Graffiti on a Truck Says 'Bomb,' and the City Panics

By Timothy Egan
New York Times Service

SEATTLE — It was one of the hottest days of the year in a city not known for heat waves or acts of excess, and an artist named Jason Sprinkle told friends that he was going to go out and "commit public art."

Instead, after causing a five-hour evacuation of the heart of downtown Seattle and a traffic mess that delayed nearly half the city's homeward-bound workers, Mr. Sprinkle is now said by the authorities to have committed a felony.

It may be the first time any city has been held at bay by a performance artist.

The work of art that brought Seattle to a standstill was in the back of a beat-up pickup truck that was parked at the city's Westlake Center retail core in midafternoon on Monday. A man got out of the truck and, after quickly deflating the tires, abandoned it. Left behind in the truck bed was a large metal heart, painted red. On a front fender was written the word "bomb."

With concern about domestic terrorism running high, people fled the area. Many said later that they had feared another Oklahoma City disaster. The police quickly evacuated nine full blocks, in a part of downtown that includes department stores, hundreds of smaller businesses and a civic plaza.

The truck was parked atop a tunnel through which all the major commuter buses move, and it too was closed off.

A robot and police explosives specialists were brought in. Television crews went live, warning of "a very dangerous situation developing here." The police set off a minor explosion, intended to defuse any bomb.

But there was no bomb, only Jason Sprinkle's work of art.

Don Fels, himself an artist who is curator of a city show on public art, was stuck in the traffic with a friend.

After hearing of the scare and a description of the suspected bomb, he turned to his passenger and said, "This isn't a bomber or a terrorist, it's some crazy artist."

Indeed, the giant heart was strikingly similar to another sculpture, a 13-foot-high (4 meters) steel heart with a dagger plunged into it, that was placed in Westlake Center last year.

That was designed as a protest by Mr. Sprinkle against plans to open the street that runs through the center to auto traffic. It had previously been a pedestrians-only mall.

By late Monday evening, Mr. Sprinkle had turned himself in, saying the whole thing was simply a work of performance art — again protesting the opening of the Westlake Center street — that had backfired.

"All it was, was art," Mr. Sprinkle said. "I didn't even think it would be noticed."

A friend and fellow artist, Art Donnelly, said Mr. Sprinkle's "installment" had been meant as "the culmination of a cycle" of guerrilla art in Seattle. The word "bomb" on the truck was not Mr. Sprinkle's doing, Mr. Donnelly said. It was a bit of graffiti, previously spray-painted on the truck by vandals, that had never been scraped off.

Mr. Sprinkle, 26, was arrested and jailed on a felony statute outlawing bomb hoaxes. Prosecutors were not amused or intellectually stimulated, said Dan Donohoe, a spokesman for the office of the King County prosecutor.

While the police and prosecutors were reviewing a list of possible charges, merchants and artists were offering their own reviews — and they were scathing.

"We lost up to $5,000 in business," said Karl Beckley, manager of a restaurant in Westlake Center. "I'm a big supporter of public art. Everything about the sculpture was fine, to a point. But once you throw in the word 'bomb,' that just goes over the edge."

At the Center on Contemporary Art, a studio known for controversial shows, the reviews were similar. "He seems to have had a real problem with clarity," said Susan Purves, the director. "Then again, maybe he did mean to clear out all of downtown. But that wasn't clear."

Mr. Sprinkle calls himself Subculture Joe. Three years ago, he was one of a group of artists who tied a 700-pound (320-kilogram) chain to "Hammering Man," a 48-foot steel figure in front of the Seattle Art Museum. The point had something to do with workers' being chained, the group said later. The act was generally considered harmless.

Swastikas Drawn In a Barracks At Fort Bragg

Los Angeles Times

WASHINGTON — The army has ordered 350 Special Forces troops restricted to their compound at Fort Bragg, North Carolina, after superiors found swastikas painted on the doors of rooms occupied by black soldiers in a Special Forces barracks.

Army officials said the swastikas, drawn in red brushstrokes, were discovered Tuesday morning on the doors of eight rooms in a barracks belonging to the 1st Battalion of the 7th Special Forces Group. Six of the rooms were occupied by black soldiers. The other two apparently were empty.

The incident was the second race-related action at Fort Bragg since December, when three white soldiers were charged in the shooting of a black couple in Fayetteville, North Carolina, which borders the base.

Two of the men were said to have ties to neo-Nazi skinheads.

Besides serving as headquarters for the Special Forces command, Fort Bragg is home to the 82nd Airborne Division, an elite paratroop force. All three soldiers charged in the shooting in December were members of the 82nd. Their trial is pending.

Army officials said that Brigadier General Kenneth R. Bowra, commanding general of the Special Forces, had restricted the soldiers who live in the barracks where the swastikas were found to the unit's compound while an investigation was conducted.

Penny Saved? For Now

But Coin's Days May Be Numbered

By Bill McAllister
Washington Post Service

WASHINGTON — It is now costing the government more to make and distribute 13.5 billion pennies a year than the coins are worth, the General Accounting Office has told Congress.

That was enough to prompt Representative Michael N. Castle to predict that "this coin's days are numbered."

But Mr. Castle, who is chairman of the House banking subcommittee that oversees the nation's coinage, was not willing to propose an end to the coins that have carried Abraham Lincoln's image for the past 87 years.

Indeed, no member of Congress has been willing to offer legislation that would end the coin venerated by Ben Franklin as the cornerstone of American thrift. "A penny saved is a penny earned," Franklin declared when the penny was new.

Mr. Castle, a Republican from Delaware, proclaimed: "The penny lives for another day; another hearing."

The 50-minute hearing Tuesday by his subcommittee on domestic and international monetary policy was designed more to alert the public that their cheapest coin is becoming increasingly expensive to produce than to begin its funeral.

Thanks to inflation, the penny has become "more a symbol than a measure of purchasing power," Mr. Castle declared. Many people consider the coin a nuisance, leaving pennies on the ground or tossing them into penny dishes found beside many cash registers, the chairman said.

The GAO said it costs the government about .8 of a cent to make a penny, but when all production and distribution are added the total overall costs amounted to a negative of between $8.5 million and $9.2 million in 1994.

That assessment drew an immediate complaint from the Mint director, Philip N. Diehl.

In a letter made public at the hearing, Mr. Diehl blasted the GAO's methodology, declaring "the penny in fact remains profitable to the government by a significant margin," though he conceded the profit was "relatively small."

Withdrawing the penny from circulation could have a negative impact on the federal budget if the millions of Americans who have hoarded the coins suddenly showed up at the nation's banks and demanded other coins, said J. William Gasby, who looks after government business operations at the GAO. It might cost the Mint more to round up all those pennies and melt them than the metals in the coins are worth, he said.

Ending the penny might allow the Mint to cut work at the Philadelphia and Denver mints where the coins are struck, he said. But that could be offset by the loss of hundreds of jobs in the zinc industry, which produces the metal that composes 97.5 percent of the coin.

ASIA/PACIFIC

Proposal for 'Tranquil Death' in China Runs Into a Cultural Barrier

By Maggie Farley
Los Angeles Times Service

SHANGHAI — Dr. Wu Zhaoguang, 72, ambled through the unlit halls of Zhongshan Hospital, stopping to see patients crowded four to a room, to perform the art of healing.

He guided the insertion of a catheter into a stoic man who is recovering from his third operation. He placed a calloused hand on the throat of a woman with a thyroid tumor.

"Relax. Don't be worried about it," he told her in low tones, as she anxiously touched the spot where his hand just was. "It's not cancer."

That is a rare bit of good news Dr. Wu can deliver. Inevitably, many patients he sees have a terminal disease, and his benedictions and surgeries cannot help their suffering. That is when he wishes he could offer *anlesi*, a tranquil death.

Aspiring to be Shanghai's own Jack Kevorkian, the Michigan physician whose name has become synonymous in America with "assisted suicide," Dr. Wu for 10 years has petitioned the central government to start carefully regulated euthanasia clinics here. Campaigning for the right-to-die can seem a morbid preoccupation, he concedes, and arouses complicated ethical and emotional questions in a land that has venerated the elderly and has feared death.

But the alternative of needless suffering, he argues, is worse, and people's attitudes about "mercy killing" are changing.

In Dr. Wu's four decades at the hospital, he has witnessed patients' desperate bids to end their unbearable pain. "Some of those poor guys just went — whoops — off the balcony or out the window," he said, pointing *his thumb* back over his shoulder. "Some did a good job of it. Some not so good. They just broke their bones and suffered more than before."

Dr. Wu is careful to outline the controls: the patient must request anlesi, have his condition confirmed as incurable by a team of specialists, and have his or her family's complete support.

China, as a result of its one-child policy, has become the world's fastest-aging population. Each day, 20,000 Chinese turn 60, adding to 100 million people already 60 or older. And declining family size means there are fewer children to care for failing parents, foreshadowing an overload of the socialist welfare system.

Even Zhongshan Hospital, one of the *better facilities in Shanghai*, has a shortage of nurses and relies on family members to feed and care for patients.

That is part of the reason that in China's large cities, euthanasia has surprisingly solid support. In April, the nation's official news agency reported that a survey of three of China's largest cities had found 78 percent support for "mercy killing" of the very sick; 73 percent said the choice between life and death was a human right. Approval reached 90 percent in a separate poll in Shanghai, where nearly one of five people are 60 or older.

"An understanding of euthanasia depends on the level of education and culture," said Yin Zhigang, the director of Shanghai's Old Age Committee. "That's why euthanasia is better supported in big cities like Shanghai than in the country. The level of support for euthanasia, in some ways, signals the progress of a society."

But for 10 years, the proposal has been blocked in Beijing at the National People's Congress, which has delegates from all over China. Attitudes are very different in the countryside, where the *question of helping parents to die* arouses a Confucian conundrum.

"It's contrary to typical Chinese teaching — to live as long as you can regardless of the quality of life," Dr. Wu said.

Senior leaders are kept alive as long as possible. A team of doctors attended Mao Tse-tung around the clock for more than two months after a heart attack, although the public was told he was healthy until the day after he died in September 1976. China's current paramount leader, Deng Xiaoping, lingers on, with occasional reports he is "in good health for a man his age," though some analysts assert he is on life support.

Likewise, a child's duty is to prolong his parents' lives and ensure them a comfortable afterlife by sending along paper money, flower wreaths and even *clothes when they die*.

The idea of arranging a comfortable death still strikes many as utterly unfilial. Others fear abuse of the option, such as its use by patients who are made to feel burdensome by their relatives or the state. A euthanasia measure, designed to eliminate children with congenital defects, was *briefly considered* in 1994. The measure was not approved.

U.S. Official Is Seized For Alien Smuggling

Immigration Aide Tied to Hong Kong Ring

By William Branigin
Washington Post Service

WASHINGTON — The authorities in Hong Kong have arrested a high United States immigration official on charges of involvement in the smuggling of Chinese through Central America into the United States, the Justice Department has reported.

Jerry Wolf Stuchiner, a 19-year veteran of the Immigration and Naturalization Service, was detained Monday at the Hong Kong airport by agents of the British colony's Independent Commission Against Corruption.

Found in his possession were five forged Honduran passports, which the authorities suspected were going to be delivered to an alien-smuggling syndicate operating from Hong Kong, the commission said.

Mr. Stuchiner was assigned to Hong Kong for five years before becoming the American immigration officer in Tegucigalpa, the capital of Honduras, in May 1995.

He was considered one of the agency's top investigators into the smuggling of Chinese into the United States. As the only U.S. immigration officer stationed in Central America, he was instrumental in building a case against Gloria Canales, an alleged alien-smuggling kingpin from Costa Rica. She was arrested by the Honduran authorities in December.

At one point during Mr. Stuchiner's investigation into the Canales case, she attempted to have him assassinated, U.S. officials said Tuesday.

She was charged with using bribery to smuggle thousands of Chinese and Indians into the United States through Latin America.

At the same time that he was unraveling the Canales ring, however, Mr. Stuchiner himself was under investigation by the Hong Kong authorities and by the U.S. Justice Department's Office of the Inspector General.

Agents from the inspector general's office were present when Mr. Stuchiner was arrested, the Justice Department said in a statement.

Hong Kong authorities also arrested a woman from El Salvador who was traveling with Mr. Stuchiner, and six alleged partners in an alien-smuggling operation, including two former Hong Kong immigration officers, three other Hong Kong residents and an illegal immigrant from Taiwan, officials said.

The Honduran consul general in Hong Kong, Herby Weizenblut, was "briefly detained and questioned" by the Hong Kong agents, the Justice Department said.

The department said the Hong Kong authorities charged that Mr. Stuchiner was part of a scheme in which Chinese citizens indentured themselves to smugglers in return for passports, travel identities and airline tickets to Central America.

Central America has become a major staging area for the smuggling of Chinese and other Asians, who often pay more than $30,000 each to be spirited into the United States, investigators have reported.

Miss Canales, accused of heading one of the largest rings in Latin America, is believed to have smuggled at least 10,000 people a year, charging up to $6,000 each for the Indians and Chinese she moved at her end of the pipeline.

The Justice Department declined to comment on specifics of the allegations against Mr. Stuchiner, but an informed source in another department said that he had apparently been in league with corrupt Honduran officials in a ring separate from that of Miss Canales.

Mr. Stuchiner, who has been on vacation from his post in Honduras since June, arrived in Hong Kong using a U.S. diplomatic passport, officials said.

He was arrested under a Hong Kong anti-corruption law.

In East Timor, A Quiet Rite

The Associated Press

JAKARTA — The 20th anniversary of the annexation of East Timor by Indonesia passed without incident Wednesday as a government-sponsored ceremony in the provincial capital, Dili, commemorated the event.

Unlike in previous years, East Timor was calm and no protests were reported. Most residents went about their business "as if nothing has happened," a Dili resident said.

East Timor is often in the grip of protests by groups demanding independence from Indonesian rule. On Monday, a marketplace was set on fire in the district of Ermera, about 40 kilometers (25 miles) from Dili, the police said. No arrests have been made.

Indonesia annexed East Timor in 1976, a year after Indonesian troops invaded amid civil unrest following the withdrawal of Portugal as colonial ruler. The United Nations recognizes Portugal as the administering power of the territory.

The Associated Press

FATAL ACCIDENT — The driver of this burning gasoline truck hanged himself in a park not far from the Tokyo expressway where the vehicle overturned on Wednesday.

Burma Policy Divides 2 Blocs

EU Warning to ASEAN Is Rejected as Hypocrisy

Agence France-Presse

JAKARTA — Senior officials of the Association of South East Asian Nations accused the European Union on Wednesday of hypocrisy over its stance on Burma.

They were responding to criticism from the vice president of the European Commission, Manuel Marín, who warned that ASEAN's moves toward accepting Burma as a full member could jeopardize the Union's plans to deepen its relationship with the grouping.

Burma is to gain observer status in ASEAN on Saturday as a first step toward membership.

"There is a policy of genocide in Bosnia. Are they doing enough to fix that problem?" said the Malaysian secretary-general of foreign affairs, Achmad Kamil Jaafar, referring to the European Union. "What are they doing in Northern Ireland?"

The European Union has been applying pressure on ASEAN, and "we will manage that pressure," Mr. Jaafar said in an interview on the sidelines of a meeting of senior ASEAN officials in Jakarta. He also said he doubted that the Europeans would "give up their dialogue with ASEAN" over Burma.

ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam, has adopted a stance of "constructive engagement," with Burma, declining to interfere in Burmese internal affairs.

"Our approaches may be different, between the European Union and ASEAN, but I think the main approach is to win Burma over," Mr. Jaafar said.

Mr. Marín, speaking in Brussels, said that ASEAN was free to take in whomever it wanted, adding: "But it is clear for us that Burma would be a problem. Unless there is a profound change in the regime it will inevitably create considerable difficulties."

The Indonesian foreign minister, Ali Alatas, rejected the EU stance.

"I do not believe it is appropriate to comment on the internal affairs of an organization where those who are commenting on that are not even members of the organization," he said.

"We are not commenting on any membership or associate membership or observership in the European Union," he said, adding, "Why should the European Union have anything to say about our observership?"

A senior Thai official, Thep Devakul, said that Burma was an "emotional issue in the West," but pointed out that the European Union and other Western countries "were ignoring bloodshed in other parts of the world, such as in Africa."

Mr. Devakul said that some of the strongest Western statements could be seen as putting the Burmese opposition leader, Daw Aung San Su Kyi, in confrontation with the military in Burma.

"That is not in anybody's interest," he said.

BRIEFLY ASIA

2.5 Million Homeless in India As Monsoons Lash Northeast

GUWAHATI, India — Torrential monsoon rains lashed northeastern India on Wednesday, raising to 2.5 million the number of people made homeless by two weeks of flooding.

The official death toll in the region and in northern Bangladesh, which has also been hit by heavy flooding, has reached 126. But rescue workers said they believed many more had died.

Officials in the state of Assam, one of the worst affected areas, said 26 people had drowned or been crushed in landslides. Two million people were taking shelter in relief camps in highland areas. *(Reuters)*

Troops Kill Kashmir Militant

SRINAGAR, India — Indian troops killed one of Kashmir's most wanted militants on Wednesday, Hilal Ahmad Beigh, a man the police said masterminded a series of bombings that have killed about 70 people in New Delhi since November.

A senior police official of the northern Jammu and Kashmir state said at a news conference that Mr. Beigh, 28, was killed in a shoot-out with paramilitary troops on the outskirts of Srinagar.

Details of the circumstances in which Mr. Hilal, chairman of the Ikhwan-ul-Muslimeen guerrillas, was killed were not immediately made public. *(Reuters)*

Japanese Leader Slides in Poll

TOKYO — The decision to increase Japan's unpopular sales tax and wrangling over U.S. military bases has pushed Prime Minister Ryutaro Hashimoto's popularity below the 50 percent level, according to a poll made public Wednesday.

A survey by the Kyodo news agency, conducted over the weekend, found support for Mr. Hashimoto's six-month-old government had dropped by 5.7 percentage points since May, to 47 percent.

The number of people who said they did not support the Hashimoto government increased to 42.7 percent, from 37 percent. *(Reuters)*

Manila Yields on Vietnamese

MANILA — The Philippines gave a reprieve Wednesday to 1,000 Vietnamese refugees, allowing them to stay in the country indefinitely.

President Fidel V. Ramos approved the agreement, saying his decision was based on compassion. They will remain at a refugee camp. *(AP)*

For the Record

Scores of hotel guests in Shenzhen, China, slid down knotted bedsheets early Wednesday to flee a hotel blaze that burned 29 people to death and injured 13 in the southern boom town. *(Reuters)*

VOICES From Asia

Itcho Ito, mayor of Nagasaki, at the opening of a conference focusing on ridding the planet of its nuclear arsenal: "They are inhumane weapons of mass destruction that must never be used anywhere on the face of this earth, for any reason whatsoever." *(AP)*

Farooq Khan, a police officer in Kashmir, on the killing of Hilal Ahmad Beigh, a guerrilla leader: "This is one of our greatest successes." *(Reuters)*

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Nuclear Ruling Assailed as Too Limited

Compiled by Our Staff From Dispatches

HIROSHIMA, Japan — Delegates at the opening session of a United Nations conference on nuclear disarmament expressed dismay Wednesday at a recent World Court ruling that limited the use of nuclear weapons to self-defense but stopped short of declaring them illegal.

The decision by the court last month "was a bitter disappointment for the people of Hiroshima, who have consistently insisted that the use and the threat of use of nuclear weapons violate international law," said Yuzan Fujita, governor of Hiroshima Prefecture.

Delegates from more than 20 countries are attending a four-day UN Conference on Disarmament Issues in this western Japanese port, the first city to suffer an atomic attack.

While participants lauded the ruling, by the Court of International Justice, in The Hague, for reflecting a trend toward limiting the legality of nuclear weapons use, critics demanded an outright prohibition on the bombs.

Japanese speakers at the opening ceremony on Wednesday also called for further cuts in American and Russian arsenals, a ban on the production of nuclear weapons ingredients, the expansion of nuclear-free zones and an international treaty banning the weapons altogether.

The annual conference invites diplomats and government officials to participate as private citizens.

Among the developments on the first day, India renewed its vow not to sign a comprehensive test ban treaty, while Pakistan ruled out its ratification unless New Delhi did so.

India has said it will refuse to sign the treaty as long as the five declared nuclear powers — Britain, China, France, Russia and the United States — maintain *atomic arsenals*.

Brahma Chellaney, a professor at the Center for Policy Research in India, said that India had "strong concerns" about the draft treaty, which was completed last month in Geneva. He called the document a "comprehensive loophole" that left room for nonexplosive and other *forms of nuclear testing*, and noted that there still was no international law banning the use of nuclear arms.

Khalid Babar, Pakistan's deputy permanent representative to the UN, reiterated Karachi's position that it would go against Pakistan's national interests to sign the treaty before India.

Also on Wednesday, Japanese Foreign Minister Yukihiko Ikeda called on India to ease its objections to a global ban, the Kyodo news agency reported.

"I strongly hope that every country will deal constructively and flexibly with the issue by the time a third round of the Conference on Disarmament convenes in late July," Mr. Ikeda was quoted as saying. *(AP, AFP)*

Food Poisoning in Japan Flares

Agence France-Presse

TOKYO — As an epidemic of food poisoning spread further in western Japan on Wednesday, the authorities decided to keep more than 100 schools and kindergartens closed until classes resume in September. The normal summer break begins Friday.

A further 928 victims had fallen ill by late Wednesday, raising the number of people stricken to 5,262, officials said.

Most of those suffering from the mass food poisoning in Sakai, in the suburbs south of the city of Osaka, have been primary school children.

But the latest victims also included 15 older students and six infants, raising fears of secondary infections from the potentially fatal colon bacillus called O-157, believed to have come from contaminated school lunches.

One official said he learned that about 20 teachers also had come down with diarrhea after eating the school lunches.

The officials said 359 victims had been hospitalized, including 13 who were in serious condition. One girl was said to be in critical condition.

In a related development, the Fuji Television Network reported Wednesday that an additional 367 cases of food poisoning had been reported at two schools in Yokohama, about 400 kilometers (240 miles) east of Osaka, near Tokyo.

But that outbreak was not necessarily linked to the O-157 infections, the network said.

INTERNATIONAL

Politicians Try Against Odds To Revitalize Peace Process

By John Darnton
New York Times Service

LONDON — As Northern Ireland remained quiet for a third successive day following last week's street disturbances, politicians met in various forums to assess the political damage of the disorders, to repair frayed relations and even to try to get the peace process back on track.

It was a tough job, with little prospect of success.

In Belfast, talks involving Northern Ireland political parties resumed, following a series of bilateral meetings on Tuesday that did little more than air bitter accusations over who was responsible for the rioting.

At the session on Tuesday, leaders of the main Catholic party, the Social Democratic and Labor Party, and of a mixed party, called Alliance, attacked the head of the Protestant unionists, David Trimble. They charged him with fomenting the trouble by heading a Protestant march of the Orange Order through a Catholic area of Portadown. At first police banned the march, setting off disturbances by Protestants, and then they did an about-face and allowed it, setting off disorders in Catholic neighborhoods.

Mr. Trimble insisted that the Orangemen had a traditional right to march this month, in celebration of Protestantism's 17th-century victory on the battlefield.

At the general session of the talks Wednesday, the Protestant and Catholic parties fell to haggling over procedure, despite the best efforts of former Senator George J. Mitchell, President Bill Clinton's special envoy, to get them to tackle substantive issues.

"I think there is a great deal of emotion at the moment, more heat than light," Ken Maginnis, a leader in Mr. Trimble's unionist party, told Reuters.

Sinn Fein, the political representatives of the IRA, which is fighting to end British rule, has been excluded from the talks until it reimposes the cease-fire it ended in February when it set off bombs on the mainland.

Gerry Adams, the Sinn Fein president, was in Dublin on Wednesday for two hours of talks with Irish government officials. For six weeks, ever since an Irish policeman was killed by IRA gunmen during an incident in Limerick, the Irish government has been keeping Sinn Fein at arm's length. But Prime Minister John Bruton of Ireland blamed the British authorities for the disorders by mishandling the marching crisis.

At the European Parliament in Strasbourg, the Irish foreign secretary, Dick Spring, called for the search for a peaceful settlement of 27 years of fighting to resume. Mr. Spring urged "a new beginning for relationships in Northern Ireland, within the island of Ireland and between the peoples of Britain and Ireland."

He added, "A solution must be found to the issue of contentious parades which served to provoke the recent unrest."

On Thursday, officials from the British and Irish governments are scheduled to meet at a session of the British-Irish conference, a body that brings the two sides together in hopes of finding a way to ease, if not end, the sectarian conflict.

Ulster, Buffeted by 'Human Quake,' Braces for Another

By Fred Barbash
Washington Post Service

LONDONDERRY, Northern Ireland — Michael Boyle, a self-appointed pundit of the streets here, offers an explanation for the troubles of Northern Ireland.

The place rests on a kind of human "fault zone," he says, like the San Andreas fault in California. "The pressure builds and builds and builds, and when it gets strong enough, what do you get?" he asks. "You get an earthquake. And when you get the earthquake, no force on Earth can stop it."

It seemed that way last week throughout Northern Ireland, where age-old strife between the Protestant majority and the Catholic minority suddenly exploded into violence again after two years of hopeful calm. The first tremor was detected in Drumcree, a tiny village about 25 miles (40 kilometers) west of Belfast, where a Protestant march through a Catholic neighborhood ignited a small riot. Bigger ones erupted in Belfast and Enniskillen, where a powerful bomb exploded, and in the counties Down, Fermanagh and Armagh.

But the epicenter was here — in the jewel of a city that Catholics call Derry and Protestants call Londonderry. Here in this city in the far northwest corner of the province, near the border with the Irish Republic, is where a man died after being hit by an armored police Land Rover. Here is where hundreds were hurt by thousands of rounds of hard plastic bullets fired by the police at angry, surging mobs. And here is where a city block of shops was burned and looted in rioting that seemed as if it would never end. The smoky smell remains; skeletons of firebombed cars occupy spaces in a municipal parking lot.

'You get used to it, you see,' said a man as he surveyed his looted clothing store and wrecked apartment house.

Although a few aftershocks can still be felt, the unrest did end. It ended, people here say, not because of the police but because the "hard men" — the vigilante forces of the Irish republican movement, which wants Northern Ireland reunited with the Republic of Ireland — made it end.

"The republican movement advised the people that there were other ways of channeling their energy," said Eamon Hutton, who observes life from his souvenir stand beneath the great walls that surround the city center.

"I'm speaking euphemistically," he said, leaning close to make sure his meaning was clear.

But the pressure already is building again as this predominantly Catholic city prepares for another Protestant march next month. Everyone agrees the potential for another explosion, another quake, is very real.

There is something especially heartbreaking about what's happening here. For two years it seemed as if the town was finally escaping its bloody history and the symbolism that went with it. To the outside world, the town was best known for angry marches, riots and Bloody Sunday in 1972, when 13 civilians were shot dead by British troops on the edge of a working-class Catholic neighborhood called Bogside.

When Catholic and Protestant paramilitaries declared a cease-fire in August and September 1994, the city began blossoming. The walls — closed by authorities for years because they were too convenient for bomb-throwing — were opened to strollers and tourists. Behind them, shopping malls opened for business, affording a glimmer of prosperity for an otherwise economically depressed region. In 1995, a tourist-laden cruise ship stopped here for the first time in 40 years. President Bill Clinton visited last December in what was celebrated as a joyous day. People talked excitedly of Londonderry achieving its potential as a little Edinburgh.

Then came Drumcree, where on July 11, after five days of rioting by Protestants, police reversed an earlier decision and allowed the Protestant Orange Order to march through a Catholic neighborhood where they were not wanted. Protestant rage became Catholic rage.

"I've been fairly involved in these things from day one," said Mr. Hutton, a Catholic who speaks proudly of his riot experience. "But I've never seen it as intense as it got last week. There were people pouring out of the bars" to hurl firebombs. The police fired volley after volley of plastic bullets — solid yellow cylinders packing the punch of police truncheons — at rioters and bystanders alike, hitting many in the head, sending some to the hospital. And it went on for four nights.

"The hatred," said Mr. Hutton. "The outrage. I never thought I'd see it all again. If it hadn't been for the republican movement, they'd have burned this town down."

Countless vehicles were burned. About two dozen buildings were damaged or destroyed. But many were spared, and the visible damage in Londonderry appears relatively contained.

Fear about the future, however, is not. The Southern Cross cruise ship was due this week. But after passengers saw television footage of the riots, they demanded a change of course. Londonderry is off the itinerary, and many residents are resigned to watching history repeat itself.

"You get used to it, you see," said Sohan Singh Kolar, who came to Londonderry from India in 1953, as he surveyed his looted clothing store and the wrecked apartment house he had just finished renovating.

"Your man Clinton," said Mr. Boyle. "He came here chirping about how the days of the men of violence were over. It turns out he knows as little as that dog lying over there. We're paying the cost of a bogus peace."

Milos Jelesijevic/Agence France-Presse

A French soldier with the NATO-led Implementation Force standing in the turret of a patrolling tank Wednesday, in front of a Bosnian Serb government building in Pale, Bosnia-Herzegovina.

Yeltsin Taps Lebed's Choice To Run Defense Ministry

By Michael Gordon
New York Times Service

MOSCOW — President Boris N. Yeltsin on Wednesday named Colonel General Igor N. Rodionov, the head of the Russian general staff academy, to be defense minister, a move that was a bureaucratic victory for the national security adviser, Alexander I. Lebed.

General Rodionov, 59, replaces the ousted defense minister, General Pavel S. Grachev, who was one of the prime figures in the stalemated war in Chechnya and a bitter adversary of Mr. Lebed.

[Mr. Lebed had publicly recommended General Rodionov, a fellow veteran of the Afghan war, for the defense post, The Associated Press reported. Praising the president for acting "wisely" Wednesday, Mr. Lebed described General Rodionov as a "top professional, an elite general who combines practical and theoretical knowledge."

[It was widely expected that the new defense minister would actively pursue a military victory in Chechnya rather than a negotiated settlement.]

The new minister is a contentious figure among democratic reformers for his role in a brutal crackdown on peaceful demonstrators during the waning years of Soviet power.

An armored officer by training, General Rodionov continues a Russian tradition in which military men, not civilians, have controlled the Defense Ministry.

One Western expert described General Rodionov as not corrupt, well educated on foreign affairs and ruthless.

Some experts say the general may be prepared to push through the long-overdue program of military reform. The task is a formidable one. Saddled with a shrinking budget and riddled with corruption, the military's performance has been criticized, especially in the Chechnya conflict.

President Yeltsin has promised to turn the military into a professional, all-volunteer fighting force by the year 2000, a goal Mr. Lebed himself dismissed as wildly unfeasible when he was a presidential candidate.

A problem for General Rodionov could be his involvement in the 1989 crackdown on protesters in Tbilisi, the capital of Georgia, which has cast a shadow over his record.

His troops used sharpened trench shovels and gas to put down the protest, in which 19 civilians died.

BOSNIA: *U.S. Ultimatum on Karadzic*

Continued from Page 1

fective, because of widespread leakage. But they hurt Serbia economically, particularly the middle class, and Mr. Milosevic fought hard to have them lifted.

They were suspended only after Mr. Milosevic signed the peace agreement.

A United Nations Security Council decision is not needed to reimpose sanctions, according to international diplomats. They said they can be reimposed by the commander of the NATO-led forces in Bosnia, Admiral Leighton Smith, or the chief civilian in charge of putting the accords into effect, Carl Bildt.

And Admiral Smith is prepared to do so, said an official, in part because such a step would relieve the mounting pressure on the North Atlantic Treaty Organization forces to launch a military operation to seize Mr. Karadzic.

Robert H. Frowick, a former U.S. diplomat who is overseeing the elections as head of the Bosnia mission of the Organization for Security and Cooperation in Europe, has said that if Mr. Karadzic remained as chairman of the Serb Democratic Party, it will not be allowed to participate in the national elections scheduled for Sept. 14. On Monday, Mr. Frowick delayed the official start of campaigning until Friday, to give Mr. Karadzic time to step down.

Strikes Over Austerity Plan Cripple Israel

By Joel Greenberg
New York Times Service

JERUSALEM — Prime Minister Benjamin Netanyahu's plans to reform Israel's economy ran into large-scale labor unrest Wednesday as a general strike against the government's economic policy closed factories, banks and government offices across the country, crippling hospitals, public utilities and the national airport.

The strike was called by the umbrella labor federation, the Histadrut, which accused the government of approving budget cuts that will hurt middle class wage-earners and the poor.

The 10-hour shutdown, along with a steep plunge in the Israeli stock market in the past two weeks, were indicators of public unease with new economic measures pushed through by Mr. Netanyahu earlier this month.

But even as he was buffeted by economic troubles at home, Mr. Netanyhau prepared to travel to Cairo on Thursday to meet President Hosni Mubarak of Egypt. Mr. Netanyhau has taken a cautious line on negotiations with the Arabs, but he has acted quickly on the economic front, provoking swift resistance.

The government passed a $1.6 billion budget cut ahead of Mr. Netanyahu's visit to the United States last week.

Mr. Netanyhau promised "sweeping liberalization" of the economy, including the breakup of monopolies and the sale of government-owned enterprises.

But the budget cuts have drawn criticism from many Israelis who feel burdened by reductions in state support. These include cuts in childbirth allowances and senior citizen benefits, and increases in bus fares and medical fees.

The Histadrut, dominated by the opposition Labor party, complained that workers are bearing the brunt of the government's belt-tightening, and it demands a role in setting economic policy. It said that Wednesday's strike by nearly half a million workers was a first warning.

CORE: *Inside Earth, Scientists Find a 'Planet Within a Planet'*

Continued from Page 1

those things that we didn't expect."

"It's a breakthrough," Dr. Gary A. Glatzmaier, a geophysicist at the Los Alamos National Laboratory in New Mexico, said of the discovery. "It's the beginning of a new field."

"In the past," he said, "people thought changes in the interior of the Earth were very slow. Now we can see something changing on a time scale of 10 years. That's remarkable."

The reported speed of the independent rotation is lightning fast compared to many geological movements, which tend to occur over millennia and eons.

The Columbia team estimated that the speed of the core's independent spin is between 0.4 and 1.8 degrees a year. With 360 degrees in a circle, that equals roughly one lap every 400 years.

Dr. Adam M. Dziewonski, leader of the Harvard team, which also has a member at the University of California at Berkeley, said it had found evidence of a spin rate up to 3 degrees a year, which yields a lap every 100 years or so.

Scientists say the independent motion is most likely caused by the inner core's interaction with powerful magnetic fields generated by moving fluids in Earth's outer core, which is molten. These fields are thought to create a torque that makes the core spin faster, much as the moving magnetic fields in an electric motor cause its armature to turn.

Moreover, the low viscosity, or low internal friction, of material in the outer core makes it "easy for the inner core to rotate," the Columbia team said in its Nature paper.

The finding, the team added, raises many questions, such as whether the rate of rotation ever changes.

"This is just the beginning," Dr. Richards of Columbia said in an interview on Wednesday. "There's been hundreds of fine theory papers. But now there's a hard observation to hang the theory on."

CLIMATE: *U.S. Urges Quick Action*

Continued from Page 1

istration would have preferred to wait until after the election before introducing tougher measures, but the diplomatic timetable would not allow that.

In the treaty, negotiated in Rio de Janeiro during the Bush administration, industrial countries set a nonbinding goal of limiting emissions of greenhouse gases by the year 2000 to the levels that prevailed in 1990. But the United States and most other countries are unlikely to meet that goal, and have since conceded that even deeper cuts in pollution are needed.

Mr. Wirth said the United States rejected some proposals for steep and immediate cuts in pollution, such as the 20 percent cut within a decade that is being sought by small island nations fearful of being swamped by rising oceans as the planet warms. He called that goal unrealistic, given the economic disruption that would occur if energy consumption were restricted so sharply.

He also said that the United States intended to use market-based approaches, like the trading of pollution permits, to help its industries cut emissions in whatever fashion they deem most efficient.

Those positions seemed intended to deflect some of the political fallout from industry groups that have strongly opposed strict new measures to combat global warming. The administration in the past has adopted purely voluntary approaches, which have cut the growth in pollution but have failed to actually reduce emissions.

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EUROPE

France Starts Its Military Cutbacks, Even in Germany

By Craig R. Whitney
New York Times Service

PARIS — France will disband 38 of its 129 army regiments, including 11 stationed in Germany, and close barracks, army hospitals and air bases around the country as part of a plan to cut the uniformed armed forces to 350,000 from 500,000 by the year 2002, the Defense Ministry announced Wednesday.

Following a series of complaints from German officials that France's closest ally had not been adequately consulted on the moves, including a plan to end military conscription here starting next year, Defense Minister Charles Millon said that the cuts affecting Germany had been carried out "in full consultation with Germany."

Mr. Millon said he had briefed his German counterpart by telephone and that President Jacques Chirac had gone over the changes in great detail with Chancellor Helmut Kohl.

German officials had said that the number of French troops in Germany would go down to 3,000, from 20,000, over the next three years.

Mr. Chirac had said that any reductions would not call into question one of the two countries' pet projects, the five-nation Eurocorps headquartered in Strasbourg, or the French-German brigade.

Four French units assigned to that brigade will stay where they are in Germany, Mr. Millon said, and other units from France will replace some of the disbanded forces now stationed in Germany.

The changes, similar to those that British forces went through in the 1980s, are designed to give France professional, highly mobile and more rapidly deployable forces than the conscription force it relied on to defend the country against attack during the Cold War.

In the future, French strategists believe, the armed forces have to be ready and able to intervene to preserve the international order in places like Kuwait, Bosnia and Africa.

France is also changing the focus of its nuclear deterrent, eliminating ground-based missiles to rely entirely on submarine-based ones, with a small continuing role for airborne missiles and bombs.

Mr. Millon also told a French parliamentary committee Wednesday that one of the country's two aircraft carriers, the Clemenceau, would also be retired next year.

Its 38-year-old sister carrier, the Foch, will be retired after the new nuclear-powered Charles de Gaulle goes into service in 2000, French defense officials said, and 12 other navy ships will be decommissioned.

But most French politicians and unions of the civilian defense establishment had in mind jobs rather than strategy Wednesday.

Typically, François Léotard, a former defense minister who is a conservative member of Parliament and also deputy mayor of Fréjus in southern France, said he deplored the dissolution of an infantry regiment stationed there and said it would cause the loss of 275 permanent military jobs and 71 civilian ones in a town of 41,000 inhabitants.

Mr. Millon said that a compensation plan had been worked out for every locality that would be affected, but he chose a time when many of their workers had already begun their summer holidays to announce that the axe was falling.

As in Britain, some tears will be shed over the end of regiments with a proud history. One of them is the 19th Light Infantry Battalion, commanded during the late 1920s by Charles de Gaulle, the wartime Resistance leader who later became the first president of the Fifth Republic. Mr. Chirac, a Gaullist, can retire its colors dry-eyed.

Another, the 151st Infantry Regiment in the World War I battle area of Verdun, saw service in World War II as well, but because it was formed largely of conscripts, it had been unusable in the many postwar French military operations in Africa. Conscripts can serve abroad only if they volunteer, or with parliamentary approval, but starting next year, young men turning 18 will no longer be called up for military service.

BRIEFLY EUROPE

Union's Parliament Criticizes Commission Over Beef Crisis

STRASBOURG — EU lawmakers on Wednesday voted against holding an inquiry into alleged negligence on the part of the European Commission in its handling of the "mad cow" disease crisis.

But the Parliament did pass a resolution that was critical of the commission, which it accused of "bad will that was evident in some of its departments reluctant to manage the crisis in an open way." *(AFP)*

Albright Talks to Cypriot Foes

LARNACA, Cyprus — The U.S. ambassador to the United Nations, Madeleine K. Albright, arrived Wednesday on the second leg of a mission to defuse tensions between Greece and Turkey and break the stalemate in talks aimed at reunifying Cyprus.

Mrs. Albright will spend 24 hours on the island for separate talks with the Greek Cypriot and Turkish Cypriot leaders and commanders of the UN peacekeeping force that has been deployed on Cyprus since 1964. *(AP)*

Anti-Terrorism Meeting in Paris

PARIS — The Group of Seven industrialized nations and Russia will hold an anti-terrorism conference in Paris on July 30, the French Foreign Ministry announced Wednesday.

The conference was part of the anti-terrorism declaration that came out of the G-7 meeting in June. It will be attended by foreign and security ministers. *(AP)*

Warning on Raw Meat and Milk

VIENNA — The Austrian Health Ministry on Wednesday advised consumers to steer clear of raw meat and unpasteurized milk, saying they could be infected with a dangerous strain of bacteria.

"Make sure all milk is pasteurized or boiled and meat is well cooked, especially minced meat," the ministry said in a statement. While issuing the warning, it said all milk sold in supermarkets and properly cooked meat was safe.

Since May, seven out of 1,100 samples of meat and cow's and goat's milk have been found to contain a strain of *Escherichia coli* bacteria, more commonly known as E. coli.

Calendar

European Union events scheduled for Thursday:

BRUSSELS: The commission president, Jacques Santer, Marcelino Oreja, commissioner for relations with other EU institutions, and Monika Wulf-Mathies, the regional policy commissioner, meet with José Antonio Ardanza, leader of the Spanish Basque region.

STRASBOURG: European Parliament examines the aid plan for rehabilitation in the former Yugoslavia and a contested report over human rights in the European Union.

Sources: Agence Europe, AFP

Kiev Tightens Grip After Bomb Attack

Reuters

KIEV — The leaders of Ukraine have decided to introduce elements of a state of emergency after a bomb explosion nearly killed Prime Minister Pavlo Lazarenko, the country's top security official said Wednesday.

Volodymyr Horbulin, chairman of the National Security Council, said Ukraine, once a republic of the Soviet Union, was facing a threat to its very existence.

The official, who is President Leonid Kuchma's top security adviser, gave no details on what actions would be taken. But he said they would involve dismissal of some officials, rigorous checks on the spending of state funds and tighter protection for leaders.

"I cannot say this is a state of emergency but elements of a state of emergency will be introduced," Mr. Horbulin said.

"Today, a real threat to the security of our country has emerged.

"The task before us is not an easy one. But if we do not start to solve these problems I cannot be sure that by autumn we will be able to speak of Ukraine as an independent state."

He said Communists, extreme nationalists and criminal gangs were a threat to the country.

The government must take action to eliminate all illegal paramilitary groups, Mr. Horbulin declared. But no steps will be taken to undermine basic liberties, including freedom of the press, he promised.

Mr. Lazarenko was shaken but not hurt when a bomb went off under the roadway as he was leaving for the airport to fly to the Donbass coalfield, where tens of thousands of miners have been striking to demand long overdue wages.

Mr. Horbulin said the bomb attempt against the Lazarenko motorcade was a warning. "This is more an economic than a political act," he said.

Juppé Declares War on Corsican Gang Violence

Compiled by Our Staff From Dispatches

AJACCIO, Corsica — Prime Minister Alain Juppé said Wednesday that he would make it a priority to restore order to Corsica and arrest those responsible for the gang violence that has come to symbolize the French island territory.

Speaking at the Ajaccio City Hall on the first stop of his two-day trip to Corsica, the French prime minister said the "assassins and troublemakers" would be "relentlessly sought, arrested and *brought before justice.*"

"Corsica will no longer be a lawless region or an area where the law is bent, and I have given very firm orders to that effect," he added.

The prime minister stressed that he expected everyone on the island to respect the law or face the consequences.

Mr. Juppé's visit came two weeks after a car-bomb explosion killed a leader of an independence movement in Corsica and badly wounded the leader of another. Feuding among the different nationalist groups, both for ideological reasons and for control of various rackets, has claimed 17 lives in a year and a half.

In addition to encouraging investment, Mr. Juppé must convince local officials and the Corsican population that the government is serious about ending the unrest. Violence has led to a *45 percent drop in tourism this year*, aggravating Corsica's severe economic problems.

On Sunday, President Jacques Chirac of France said that while dialogue with the nationalists should be maintained, the gangs that have developed over the years must be eradicated. He also called for stronger laws against carrying weapons.

In meetings this week with Corsican officials and business leaders, Mr. Juppé was expected to announce new efforts to promote small business and bolster road and other infrastructure projects.

He also was expected to clarify the government's intention for "positive dialogue" with Corsican nationalists.

Paris announced in March that it proposed to set up a free-trade zone in the island for five years — a long-standing demand by Corsican nationalists. The *move* would grant the island tax breaks designed to stimulate investment and encourage exports.

But the proposal has run into opposition within the European Union and faces skepticism among many Corsican leaders. The European Commission, the EU's executive agency, is expected to announce a decision on the plan by the end of the month. *(AFP, AP)*

New Portuguese-Speaking Community Is Formed

Reuters

LISBON — Portugal and six former colonies, including Brazil, formed a commonwealth of Portuguese-speaking countries Wednesday to protect their common language and promote cooperation between their 200 million people.

Heads of state and leaders from Portugal, Brazil and the African nations of Angola, Mozambique, Guinea-Bissau, Cape Verde and São Tomé and Príncipe attended the signing ceremony, which fulfilled a long-standing ambition for unity.

The new Community of Portuguese-Speaking Countries is intended to strengthen the international role of Portuguese in an increasingly English-speaking world.

Its members also see the community tightening economic and political ties between countries whose bilateral relations have not always been easy since Portugal gave up its last African colonies 20 years ago. Brazil became independent in 1822.

In a first display of its cohesion, Prime Minister Antonio Guterres of Portugal said the community should back Brazil's demand for a permanent seat on the United Nations Security Council.

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INTERNATIONAL

U.S. Wants Allies to Pressure Cuba Over Human Rights

Compiled by Our Staff From Dispatches

WASHINGTON — After delaying the imposition of new sanctions on foreign companies trading with Cuba, the United States on Wednesday challenged its allies to take specific steps to increase pressure on Cuba's Communist regime to improve economic and political rights.

But while some of the allies acknowledged that the Clinton adminstration had found a useful compromise to resolve a painful political dilemma, others scoffed at the proposed solution and threatened retaliation against punitive anti-Cuba trade laws, even though they had been suspended by President Bill Clinton for six months.

The European Commission was standing firm in its opposition to what it considered Washington's unilateral attempt to impose its will outside its borders..

A spokesman for the EU trade commissioner Sir Leon Brittan said, "It is unwise to assume there will be a change in our policy."

At a news briefing in Washington, the State Department spokesman, Nicholas Burns, urged Canada, Mexico and Europe to finance groups that foster human rights in Cuba, to withhold non-humanitarian assistance to the regime of Fidel Castro and to promote a system of business practices in Cuba similar to the Sullivan principles that used to be applied to South Africa when apartheid was the law there.

"We need to get our European allies, Canada and Mexico more involved in the effort to promote democracy and human rights in Cuba," Mr. Burns said.

"This could include a couple of possible actions (by which) we could agree over the next six months to put additional pressure on Castro and his regime to respect human rights and to provide the Cuban people with more political and economic freedom," he said.

President Clinton on Tuesday let an anti-Cuba trade measure take effect, but — seeking to appease the allies — he delayed its implementation for six months while Washington tries to build international pressure on Cuba to adopt democratic and economic reforms.

U.S. allies are upset because Title III of the Helms-Burton law would allow lawsuits against foreign firms that profit from properties in Cuba that were once owned by Cuban nationals who fled to the United States after Fidel Castro took power in 1959.

The British trade secretary, Ian Lang, said Europe might retaliate by barring U.S. business travelers or requiring them to get visas.

"It is not the kind of range of activities one seeks to get involved in," Mr. Lang said in an interview on BBC radio. "But we cannot leave our own interests unprotected, and we must bring home to Americans the unacceptable nature of what they are doing."

Most European Union nations and Canada — the law's main opponents — cautiously welcomed the delay.

But John Mayor's government in Britain, usually America's staunchest ally but now trying to regain its footing after a series of domestic political difficulties, demanded a complete retraction.

"What they are seeking to do is impose unilateral sanctions, effectively bullying their friends in order to attack their enemies," Mr. Lang said.

Many Europeans see the Helms-Burton law as an attempt by Mr. Clinton to woo Cuban-American votes in Florida and New Jersey in an election year.

"That doesn't make it any more acceptable," Mr. Lang said.

He added that the EU also wants to pressure Mr. Castro toward democracy, but said attacking trading partners was not the way to go.

The German and Spanish foreign ministers said Mr. Clinton's decision was positive, but not enough.

The 15-nation EU accounted for 45 percent of Cuba's trade in 1994.

On Wednesday, EU legal experts discussed whether to take the matter to the World Trade Organization, and the European Commission made technical preparations for retaliatory steps approved by foreign ministers this week.

Those included blacklisting U.S. companies that file suit under the law.

EU officials will consider Thursday whether the measures are warranted.

In Toronto, Canada's trade minister said Mr. Clinton did not do enough to placate his angry allies. *(AP, Reuters)*

Time's Deal With Turner Nears Final Clearance

Compiled by Our Staff From Dispatches

NEW YORK — Time Warner Inc. said Wednesday that it had reached a preliminary agreement with the Federal Trade Commission to complete its $7.5 billion purchase of Turner Broadcasting System Inc., a deal that would create the world's largest media and entertainment company.

A commission panel had been scrutinizing the deal for evidence that it would hurt competition and had raised the possibility of blocking the combination. Approval by the agency would represent the last major hurdle to the deal's completion.

An agency spokeswoman said the agreement would be presented to the commissioners Friday for a vote.

The commissioners, who met Tuesday with Ted Turner and Time Warner's chairman, Gerald Levin, are expected to approve the agreement.

The news helped shares in both companies post gains. Time Warner shares closed up $3.375, at $34.625, in New York trading. Turner Class B shares advanced $2.75, to $25.75.

"It came sooner than I think people were anticipating, given the complexity of the deal and the parties involved," said Jill Krutick, an analyst at Smith Barney.

Time Warner said the agreement in principle included the approval of Tele-Communications Inc., which owns 21 percent of Turner.

The combination of Time Warner and Turner has received enormous scrutiny, as much for its size as the personalities involved. They include the outspoken Turner chairman, Mr. Turner, and John C. Malone, chief executive of Tele-Communications Inc., the country's largest cable company.

TCI's ownership stake in Turner, which would become about a 9 percent interest in Time Warner after the deal is complete, had become a big competitive issue.

Time Warner provided no other details of the deal, and a Time Warner spokesman declined to comment. A spokesman for Turner said the company was confident the deal would be approved.

Sources close to the matter said the settlement would modify the merger in three areas.

It would limit the financial interest TCI can take in Time Warner. It would drastically reduce numerous concessions to TCI, including agreements to carry Turner cable networks at favorable rates. It would also forbid Time Warner from discriminating against competitors in the cable distribution business when buying programming and dealing with unaffiliated cable programmers.

The commission's concerns about the deal focused mainly on competition in cable programming.

But as part of the trade commission agreement, Time Warner promised to compete fairly with other cable firms.

"These businesses are good enough that they don't have to compete unfairly," said Larry Haverty, vice president of State Street Research.

Turner, based in Atlanta, owns some of the best-known cable networks, including Cable News Network, TNT and Headline News. TCI, based in Englewood, Colorado, owns stakes in several cable channels chiefly through its Liberty Media subsidiary.

The settlement comes just one week after the commission panel formally recommended blocking the takeover, putting additional pressure on the companies to make concessions.

It also follows the clearance a month ago of the deal's other major hurdle, a lawsuit seeking to block the acquisition by Time Warner's business partner U S West Inc.

U S West, a telephone company, had argued that Time Warner's purchase of Turner would compete with its own cable television and programming venture with Time Warner. That argument was rejected June 6 by a court in Delaware. *(AP, Bloomberg)*

Senate Moves to Punish Trade With Iran and Libya

Compiled by Our Staff From Dispatches

WASHINGTON — The Senate has approved a measure to punish foreign businesses that invest in Iran and Libya, both of which have been accused by the United States of sponsoring state terrorism.

The bill, supported by the Clinton administration, outlines sanctions to be imposed on foreign firms that invest $40 million or more in the energy sectors of either country.

Like the new law that penalizes foreign companies investing in Cuba, the Iran-Libya bill has been strongly criticized by U.S. allies who say the United States is trying to force trade policies on them unilaterally.

But supporters have argued that Europe and others must decide whether they want to do business with the United States or terrorist states like Iran or Libya.

The House version of the bill, passed in June by 415 to 0, concentrated its toughest sanctions language on Iran.

But Senators Alfonse M. D'Amato, Republican of New York, and Edward M. Kennedy, Democrat of Massachusetts, amended the measure to make doing business with Libya subject to equal punishments.

The two chambers must work out a compromise.

"Congress should not compromise with terrorism," Mr. Kennedy said. "The same sanctions that apply to Iran should apply to Libya, too."

"Foreign oil companies that traffic with terrorists should not expect subsidies from the United States to help them produce oil in Libya," he also said.

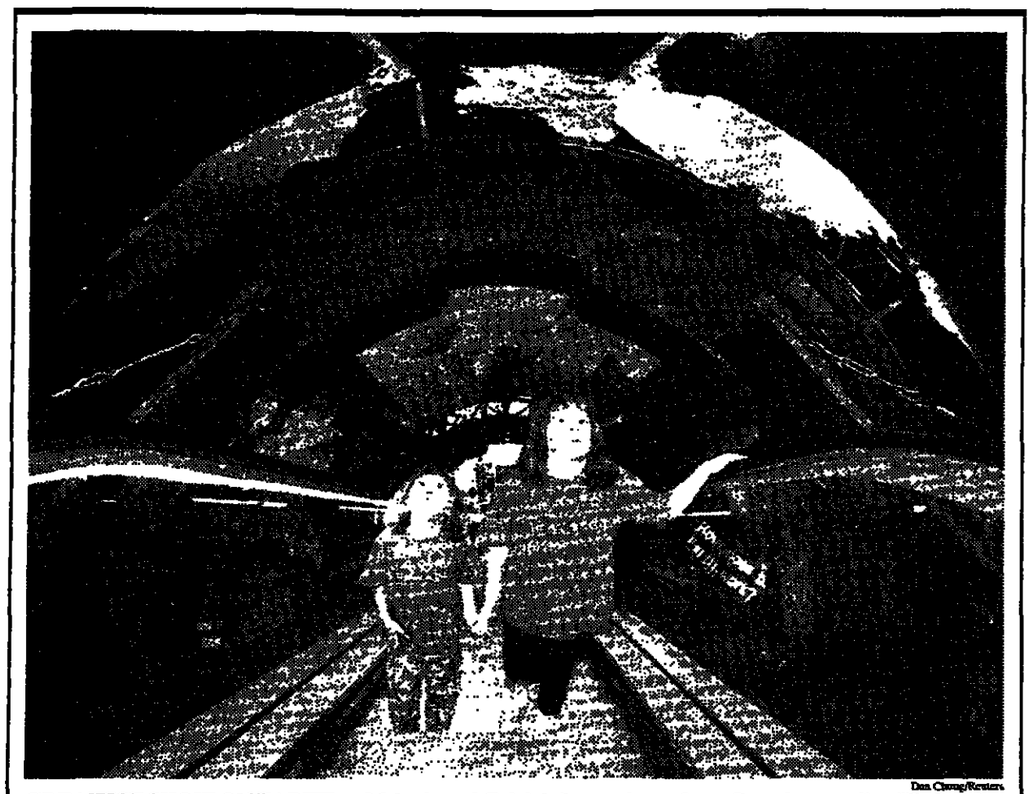
Under the Senate bill, foreigners would face sanctions if they contribute to the two countries' weapons production, their oil industries or their aviation capabilities.

The bill would allow the president to waive sanctions against foreign citizens whose countries impose their own sanctions on the two states.

In the event that a foreign company violated the sanctions, the president would be directed to choose two of six possible sanctions.

They are: denying Export-Import Bank loans; denying export licenses; barring U.S. banks from making loans of more than $10 million a year to sanctioned parties; barring sanctioned financial institutions from being primary dealers of U.S. government bonds; banning U.S. government procurement of goods and services from sanctioned entities, and imposing import sanctions.

The United States has unilaterally outlawed trade with Libya or Iran by American companies. *(AP, Reuters)*



Dan Chung/Reuters

GREATEST SHOW ON EARTH — Melanie and Caleigh Jerry, sisters from Canada, traveling Wednesday through 'Earth Galleries,' the largest project ever undertaken by London's Natural History Museum.

Paul Touvier, Jailed French War Criminal, Dies at 81

By Barry James
International Herald Tribune

PARIS — The only Frenchman imprisoned for crimes against humanity during World War II died Wednesday in prison, closing a chapter on France's collaboration with its German occupiers.

Paul Touvier, 81, was sentenced to life imprisonment in April 1994 for murdering seven Jewish hostages, an act he never denied.

He died of prostate cancer.

As a senior official in Lyon of the fascist-style militia during the wartime Vichy regime, Mr. Touvier was a secondary figure. Nevertheless, he became the focal point of a belated examination of the country's wartime past and its active role in the Nazi genocide.

Mr. Touvier was important in France's reconsideration of its past partly because more-senior figures were not available.

René Bousquet, who shipped 76,000 Jewish men, women and children to concentration camps, was assassinated in 1994. Maurice Papon, a former budget minister, is under investigation for his role in deporting Jews from Bordeaux, but the case may never reach a trial court.

The events of the Vichy era had often been forgotten or swept under the rug until the arrest and trial of Mr. Touvier forced the nation to reassess its ambiguous past.

Mr. Touvier had been twice sentenced to death in absentia in 1946 for aiding Klaus Barbie, the Gestapo chief in Lyon. Many French people were shocked to learn that Mr. Touvier had hid for 45 years with the help of sympathizers in the Roman Catholic Church, and had received a monthly stipend from the church charity Secours Catholique until the time of his arrest in 1989.

Mr. Touvier's trial at Versailles acted as a kind of catharsis. After he was sentenced, however, the country lost interest in him. "Justice was done," said Serge Klarsfeld, a lawyer who tracks down Nazi war criminals.

Mr. Touvier's family petitioned President Jacques Chirac for his release, saying he was dying of prostate cancer.

But the appeal was not heeded, and Mr. Touvier died in the hospital at Fresnes prison in Paris, where many of those who resisted the German occupation — and after 1945, those who collaborated with them — met their end.

Mr. Touvier ordered the execution of the seven hostages after resisters killed the Vichy propaganda chief, Philippe Henriot.

President Georges Pompidou pardoned Mr. Touvier in 1971 at the behest of senior church figures. But he went into hiding again when resistance groups and Jewish survivors came forward with the evidence that eventually provided the basis for his arrest and trial.

Chas Chandler, 57, the bass player for The Animals and the manager for Jimi Hendrix, died Wednesday in Newcastle upon Tyne, England. He was undergoing tests related to an aortic aneurysm for which he was treated a few years ago.

John Panozzo, 47, the co-founder and drummer of the rock group Styx, died in his Chicago home Tuesday of a gastrointestinal hemorrhage.

U.S. Troop Move In Saudi Arabia

The Associated Press

WASHINGTON — Up to 4,000 U.S. troops in Saudi Arabia may be moved to protect them from threatened terror attacks more dangerous than the one that killed 19 U.S. servicemen last month, U.S. Defense Secretary William J. Perry said Wednesday.

"We are going to prepare for a very intense threat," Mr. Perry said. "It will be costly." He added that terrorists trying to drive the United States out of Saudi Arabia could attack U.S. forces in the Middle East with chemical or biological weapons.

The defense secretary said steps must be taken this summer to protect U.S. forces based there.

Mr. Perry said the goal was to shift troops from urban areas to more secure military sites. At most, the moves would affect 3,000 to 4,000 troops, largely based in northern Saudi Arabia, he added. Those stationed in Riyadh might also be moved.

The defense secretary said America must make "fundamental and drastic changes in the way we configure and deploy our forces."

He added that the United States had to prepare for attacks all over the Gulf region, including Saudi Arabia, Kuwait, Qatar and Bahrain. About 20,000 U.S. troops are posted around the Gulf.

Paris and Bonn Shun Reactor

Agence France-Presse

PARIS — France and Germany said Wednesday they did not want to develop an experimental thermonuclear reactor, known as ITER, on their territory, citing financial reasons.

The announcement was made after a meeting between the two countries' ministers responsible for scientific research, Jürgen Ruttgers of Germany and François d'Aubert of France.

Sources close to the International Thermonuclear Experimental Reactor project said that, following the decision, Japan was the most likely country to be the host of the project.

SLIDE: *A Strong Economy Can't Prevent the Dollar From Swooning*

Continued from Page 1

the case of the dollar this has meant pushing its value down against currencies from the lower-inflation economies.

"If the U.S. sets its inflation target 1 percent higher than Europe you would logically expect a depreciation of the dollar of 1 percent to offset that," said Richard Woodworth, head of currency research at Merrill Lynch in London. If it failed to happen, over time American exporters would find themselves priced out of their overseas markets, and American workers out of their jobs.

As world trade has surged in recent years that, too, has undermined the dollar. Although it remains the preferred store of value for everyone from central bankers to individual investors, the dollar's dominance has slipped as Germany and Japan have assumed a larger role in the world economy and as more trade has occurred outside the major currency zones.

Two decades ago, 80 percent of the world's currency reserves were held in dollars. Today that figure is 60 percent. In the process, said Jeremy Hawkins, chief economic advisor to the Bank of America in London, "central banks have off-loaded many tens of billions of dollars, all of which has to be absorbed by the markets."

Further exacerbating the crush of dollars overseas, and the downward pressure on the dollar's exchange rate, has been a shift of taste among the individuals who manage pension funds. In search of both higher returns and the safety that comes from distributing their eggs in as many baskets as possible, fund managers have taken their dollars abroad and snapped up everything from German bonds to Japanese equities at a record clip in the last four years.

For all of its high profile woes, the dollar has proved far more successful and looks likely to continue, where it matters most. In its performance against the currencies of America's largest trading partners, Canada and Mexico, the dollar if anything has tended to be over-valued in recent years, making life harder for American exporters but easing the threat of imported inflation.

Moreover, economists said that, especially in recent years, the dollar's poor showing against the Deutsche mark and the yen has been a reflection of the strength of their economies as much as it has owed to dollar weakness.

For all its failings and its fabled tendency to overshoot any economically logical mark, most analysts maintain that the dollar has rarely been more fairly valued. Many predict that troubles in the German economy may yet push the dollar up against the Deutsche mark. Against the Japanese currency after a 23 percent gain last year and an additional gain of nearly 5 percent this year, the dollar's long undervaluation has ended.

ALIENS: *Terror Law Snares the Innocent*

Continued from Page 1

those who have lived in the United States for at least seven years, have married American citizens or have children who are citizens.

In addition, it eliminates the right to apply for a waiver of deportation. Under the previous law, such waivers were granted to "deserving individuals based on their length of residence in the U.S., evidence of rehabilitation and the hardship that their deportation would cause themselves and family members."

Immigration officials say that the new law precludes them from issuing waivers and releasing those detained on bond.

The immigration agency says it has no figures on how many people have been detained or deported under the law. But several immigration lawyers say that, based on their caseloads, hundreds of long-term legal residents have been arrested since the law was passed.

The detentions have touched off a heated debate over the government's interpretation and enforcement of the law. At the time of the signing, President Clinton noted that "this bill also makes a number of major ill-advised changes in our immigration laws having nothing to do with fighting terrorism."

"These provisions eliminate most remedial relief for long-term legal residents," the president warned.

He said he would urge Congress to correct the provisions in legislation, which is now being drafted to address problems in this and other immigration laws.

Lawyers for some detainees concede that the language of the law allows little flexibility in how it is applied.

Nevertheless, they say, the immigration agency is being too rigid. They have filed pleas in federal courts around the nation to prevent the agency from deporting their clients without due process.

"The service has taken the position that the act requires the mandatory detention of any lawful permanent resident who has been convicted of any drug crime, firearms crime and a host of other crimes, regardless of when the convictions occurred," said Judy Rabinovitz, senior staff counsel for the Immigrants' Rights Project of the American Civil Liberties Union.

"The agency is also applying the elimination of discretionary deportation relief to all pending cases, even those in deportation proceedings prior to the enactment of the law," she said. "We believe the Constitution also applies to lawful permanent residents and plan to file appeals on those grounds."

David A. Martin, general counsel of the immigration agency, countered that its officials had not adopted a hard-line approach. "We felt the law and the precedent gave us little choice on some of the positions we've taken," Mr. Martin said.

The law expanded the "grounds of deportability" to cover any drug offense, including marijuana possession, as well as moral turpitude. In New York state, moral turpitude can be interpreted to include activities such as defacing a passport and jumping over a turnstile in the subway to avoid paying the fare.

MGM: *In Latest Twist in Hollywood Extravaganza, Famed Studio Is Sold for $1.3 Billion*

Continued from Page 1

and the mahogany desk that once belonged to L.B. Mayer himself, came from Crédit Lyonnais.

Mr. Parretti, a genuinely close friend of the former Italian foreign minister, Gianni Di Michelis, who was himself convicted last year on charges of accepting illegal party financing, lost control of MGM to the French bank after defaulting on loan repayments in 1992. He and the bank have been engaged in dueling lawsuits ever since.

In 1992, Crédit Lyonnais also brought a lawsuit against Mr. Kerkorian, claiming that he had left MGM in a financial shambles when he sold it to Mr. Parretti. The suit was settled last year.

Mr. Kerkorian, who has been accused by critics in the film industry of stripping MGM of some of its best assets over the years, is now being joined in his latest purchase by a group that includes MGM's chairman, Frank Mancuso, along with the Seven Network Group, an Australian broadcasting company that is 15 percent owned by Rupert Murdoch's News Corp., and Morgan Guaranty, the New York bank.

The group triumphed over rival offers from Mr. Murdoch's News Corp. itself, from Polygram and from the film company Morgan Creek Productions.

Polygram said Wednesday it would announce plans to become a full movie distributor in the United States by the end of the year. It also said it was considering other acquisitions in the industry. In Amsterdam, shares of Polygram closed at 90 guilders, up from 89.40.

Mr. Kerkorian's Tracinda Corp. will put up $650 million of the purchase price, with $250 million coming from Seven Network and a further $400 million from Morgan, which will also provide $400 million in working capital. That is enough working capital to make about a dozen movies these days.

In New York, David Londoner, a managing director at Schroder Wertheim, an investment bank specializing in media and entertainment, said, "The price probably came out a little bit lower than expected." But he said the MGM film library was probably worth about $1 billion.

Aside from buying the name of MGM, "three quarters of what they are buying is the library and the rest is speculation on the management's ability to make hit movies in the future," Mr. Londoner said.

He and other analysts have praised the management led by Mr. Mancuso, a former Paramount Pictures chief, and they noted that MGM, while still losing money, has improved its performance since Mr. Mancuso was brought in by Crédit Lyonnais in 1993. Some of the studio's recent money-makers have included the new James Bond film, "Goldeneye," "Get Shorty" and "Birdcage."

MGM is still, however, a company in need of a financial turnaround. Last year the studio suffered a net loss of $159.3 million on revenues of $860.9 million, according to documents that were circulated to potential buyers.

As for Crédit Lyonnais, it is still recovering from a $10 billion French government bailout a year ago, damage to its reputation caused by bad real estate loans and the MGM affair, and a fire that destroyed its Paris headquarters earlier this year.

In Paris, Jean-Michel Raingeard, a spokesman for the Consortium de Realisation, the government company whose mission is to liquidate former Crédit Lyonnais assets at the best price, acknowledged Wednesday that the studio had been sold at a loss.

Mr. Raingeard said that parliamentary commission estimates had put loan losses and cash injections at around $2.6 billion. This would produce a net loss of around $1 billion after subtracting the $1.3 billion purchase price for MGM and a further $300 million earned by selling MGM's European cinema interests.

"This loss will be covered by the taxpayers at the end of the year," Mr. Raingeard said.

Max Berley in Paris contributed to this article.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Process in Russia

Bill Clinton and Al Gore may find it politic to downplay Boris Yeltsin's latest physical setback, but that is no reason for the rest of us to ignore what is happening. The freshly re-elected president of Russia is once again in *precarious health. Should he become* incapacitated, the ability of Russia's fledgling democracy to effect an orderly transfer of power will be put to a severe test.

Mr. Yeltsin's withdrawal to a sanatorium outside Moscow may indeed merely be prompted by extreme fatigue after an exhausting electoral campaign, as Mr. Clinton, Mr. Gore and Kremlin aides hopefully suggest. But it could also signal a recurrence of the serious heart problems that sent him to the same place twice before or the drinking bouts that have periodically immobilized him.

Mr. Yeltsin's sudden disappearance from public view in the midst of the presidential runoff campaign, his last-minute rescheduling of a key meeting with Mr. Gore and his abrupt departure from Moscow this week have unleashed a flood of Kremlin speculation and brought worried concern in foreign capitals. The happiest outcome for Russian democracy and American interests would be for Mr. Yeltsin to return speedily to full strength and serve out his new four-year term. Should he falter, now or later, the next best alternative would be an orderly transition to his constitutional successor, Prime Minister Viktor Chernomyrdin. Whatever one thinks of Mr. Chernomyrdin, it is critical to reinforce the validity of constitutional processes and avoid a free-for-all scramble for power.

Mr. Yeltsin's latest health crisis has quickened the jockeying for position among his top deputies — Mr. Chernomyrdin, Alexander Lebed, the national security adviser, and Anatoli Chubais, the newly appointed presidential chief of staff. Mr. Chubais, whose appointment on Monday suggests that Mr. Yeltsin is still cogent and making important decisions about his administration, is an architect of the radical economic reform that marked Mr. Yeltsin's first years in office. Earlier this year Mr. Yeltsin cast him aside as a sop to populist anger over the rise of a rich and unpopular Russian business class. His return marks an acknowledgment that the newly privatized businesses he helped bring into being are now an important new political constituency. It is also a reward for the political skills he displayed in Mr. Yeltsin's successful electoral campaign.

Mr. Lebed is a retired general who *ran a surprisingly strong* third in the first round of the presidential contest before joining forces with Mr. Yeltsin for the runoff. He is a strong nationalist who is transparently ambitious for the presidency. But he is also politically inexperienced and has an alarming penchant for disparaging remarks about ethnic and religious minorities.

Mr. Chernomyrdin comes from the ranks of the elite industrial managers under communism. He represents a centrist, steady hand on the government and economy but shares responsibility for the government's reckless spending spree to bolster Mr. Yeltsin's election campaign. He has also been criticized for extending favors to his former company, Gazprom, and other large state enterprises jockeying for position in the new Russian economy. But as prime minister he has proved a successful crisis manager and has acted as a sober counterweight to the often impulsive Mr. Yeltsin.

What most entitles Mr. Chernomyrdin to Washington's recognition as Mr. Yeltsin's heir apparent is his constitutional position. America's relations with a country as geopolitically important as Russia must go beyond personalities. They should focus on the orderly development of Russia's new political institutions, including respect for election results and constitutional succession provisions.

— THE NEW YORK TIMES.

Clinton Backs Off

Bill Clinton did half the right thing — and a hard half — on Tuesday with respect to anti-Cuba sanctions. The action in question concerns the Helms-Burton Act, which Congress passed earlier this year. Popular as it is with many Cuban-Americans, this was bad, and possibly unconstitutional, legislation, and the administration opposed it until Fidel Castro's Cuba shot down two unarmed planes over its airspace in February. Then President Clinton reversed field and signed the bill.

Some aspects of the law have come into force already. The U.S. trade embargo of Cuba, for example, until now a matter of executive discretion, was codified into law. Canadian and European executives of companies that invest in property formerly owned by Americans in Cuba may be denied entry visas to the United States; some already have been warned.

But the truly noxious portion of the bill is Title III, the subject of Tuesday's presidential action. This provision would give Americans who once owned property in Cuba the right to sue in U.S. courts any foreign company that "traffics" in that property. It extends this right to Cubans who became U.S. citizens long after they lost property — a privilege not accorded Poles, Germans or others who lost property in revolutions around the world and then came to America. It seeks to punish the companies of allied nations that have followed recognized international law.

Mr. Clinton could have waived Title III, but he unfortunately chose not to do so. He did waive, for six months, the right to bring suit under the title. This creates a new class of "injured" party with, for the moment, no remedy for the injury. Whoever is president may waive the right to sue again in six months, and indefinitely thereafter, or could allow the legal floodgates to open — a lawyers' delight.

The real question beneath all this maneuvering is what best will hasten democratization in Cuba. Helms-Burton proponents say that isolation is the way. Opponents argue that foreign investment can promote capitalism and space for political opposition inside the Cuban police state. The Clinton administration now says it will use the threat of Title III to persuade other nations to help pressure Mr. Castro or, at least, to invest in the right way — following a code of conduct that helps ordinary Cubans more than it bolsters their dictator. This indeed is a worthy aim, and perhaps the best that could have been salvaged from a bad bill. It remains to be seen how eager U.S. allies will be to cooperate, with a loaded gun held to their heads.

— THE WASHINGTON POST.

Other Comment

An Addicted Industry

Jonathan Melvoin's death from a heroin overdose should send a strong message to the music industry. Mr. Melvoin, 34, the keyboardist touring with the alternative rock band Smashing Pumpkins, died on Friday after shooting up in a New York hotel. His death was the latest in a string of drug-related fatalities in the music business. These tragedies underline the fact that heroin — despite its newfound popularity in the middle class — is still the same old lethal junk.

Recognizing the addiction problem that captured attention when Nirvana lead singer Kurt Cobain committed suicide, music executives met late last year to organize an effort to combat drugs in the industry. Five record companies publicly endorsed the *fledgling effort last month.* More should join. But the campaign requires more than just a hot line and lip service. Companies need to actively help addicted musicians get treatment and to refuse to deal with those who won't.

The obstacles are tough. One anonymous music executive indicated the depth of the industry's fixation on the profits generated by its drug-abusing artists: "I believe in drug use," he said. "It's part of growing up and the creative process."

It's ridiculous to assume that successful rock 'n' roll depends on drugs. Look, for example, at the staying power of Aerosmith, whose members disavowed drug use in the 1980s.

Record companies have a responsibility to the artists they sign — not to mention to the young consumers who buy albums. Here's an image: Mr. Melvoin, probably already dead, being propped up under a shower in a futile effort to revive him. Glamorous?

— Los Angeles Times.

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Don't Leave Globalization's Losers Out of Mind

By Thomas L. Friedman

ISTANBUL — While traveling, you are often asked what you do for a living. Lately I say I am a foreign affairs columnist and that means I cover wars, occasionally between countries but more often between economic winners and losers within countries. Because it is these domestic wars that increasingly shape international affairs, from Russia to Mexico to Turkey.

Why have such internal wars become so sharp? The short answer is "globalization" — the integration of free markets, financial flows, trade and information. It has established a very powerful set of rules and standards for how countries have to behave if they are to attract investment capital to grow.

You can call those rules The Paradigm. Once a country opens itself up to the global market and accepts The Paradigm, those of its citizens with the skills to take advantage of it become the winners, and those without become losers or left-behinds.

In those countries where all political parties have basically accepted The Paradigm, there really isn't much difference anymore between governing and opposition parties. In most countries, though, there is usually one party that runs against The Paradigm, offering populist solutions that claim to be able to defy globalization or ease its pain. That is Pat Buchanan in America, the Communists in Russia and now the Islamic Welfare Party here in Turkey.

In other words, the coming to power last week by the Welfare Party is part of a trend, but it is not the trend of Islamic fundamentalism. It is the trend of the backlash against globalization.

In the 1980s Turkey went from being a relatively closed, socialist economy to opening itself to the global market. But it did so without many of the institutions to prevent huge disparities of income when its economy started to be privatized, and without effective social safety nets to cushion the impact of globalization on traditional society.

As a result, those who understood the new game flourished; those who did not got left behind or flocked from farms to cities in search of work in the new industries of the global economy, creating a huge urban underclass.

The reason the Welfare Party was finally able to take power last week was a fluke. Former Prime Minister Tansu Ciller, in a venal bid to avoid prosecution for corruption, agreed to join a coalition government under the Welfare Party leader, Necmettin Erbakan, if he blocked her indictment.

But it was also part of a trend in which the Welfare Party has steadily built support among Turkey's new urban underclass. As one wealthy Turkish businessman remarked to me, the Welfare Party "is the loser's way of punishing us." Mr. Erbakan's first decision was not to pass out Korans but to raise civil service wages by 50 percent. Even many secular Turks, fed up with their own parties, are ready to give Welfare a chance.

So the Welfare Party's mandate is not to bring more God into Turkish life but to bring more good — good services and good government. But welfare cannot do what the majority of Turks want without in some way adapting itself to the rules and limits of The Paradigm.

Turkey is not like other Islamic states. Iran's mullahs can live outside The Paradigm because they have oil. Sudan's mullahs can live outside it because they have nothing. Turkey has no oil, but it has a huge industrial base. To survive economically it must sell a thousand different products globally. Turkey cannot live outside The Paradigm, and Mr. Erbakan will learn that.

So what is happening in Turkey is much more complicated than just a Muslim fundamentalist takeover. It is what happens when widening globalization spins off more and more losers, while widening democratization gives them all a vote, while religious parties effectively exploit this coincidence to take power.

Whether these religious parties can actually rule more effectively, and deal with the demands of The Paradigm, remains to be seen.

Watch Turkey, but don't panic. Its quandary applies to many allies of the United States: how to make the transition from a closed society to the global market while maintaining political stability. Helping allies manage this transition could become the most important issue of U.S. foreign policy.

The New York Times.

Foreign Illusions About Influencing China Lead to Kowtows

By Robert Elegant

HONG KONG — The Clinton administration broadly defines the aim of its China policy as to encourage that vast country to become "a responsible member of the international community." Anthony Lake, the U.S. national security adviser, has concluded a visit to Beijing by declaring that his talks with the Chinese leadership greatly improved relations. He implied that the objective of the administration's China policy had been advanced.

In fact, the slight thaw in the chill occurred because America made all the concessions — and also slipped a substantial sop to President Jiang Zemin, whose power base is his position as general secretary of the weakened Communist Party.

No matter what Washington does, China will remain difficult and assertive.

Mr. Jiang was promised the state visit to the United States that he had previously been denied because of the regime's blatant violation of its people's civil rights. Mr. Lake also promised that President Bill Clinton would at some unspecified time visit Beijing.

Such promises help Mr. Jiang and Prime Minister Li Peng, who sent in troops to suppress the pro-democracy movement in 1989, in their struggle to prevent a further erosion of their power.

Washington has declared itself satisfied with a whitewash solution of the problem of Chinese piracy of intellectual property rights through unlicensed, illegal production of American videotapes, compact disks, motion pictures and computer programs. In reality, that new agreement ensures only that Beijing will try a little harder to mask barefaced theft that it does not particularly wish to halt.

Counterfeit products, after all, bring in foreign exchange. Besides, Beijing is hardly eager to challenge the provinces' usurpation of central power on such a relatively minor issue.

It is appalling that the Clinton administration, which should know better by now, is basing its China policy on two fundamental old fallacies.

The first is the belief that any foreign power can fundamentally change China, or, as another administration formulation puts it, "define the role China will play as one of the world's largest economic powers moving into the 21st century." No matter what Washington does, China will remain difficult and assertive, justifying its behavior as retribution for nearly two centuries of exploitation by a militarily *superior West.*

The belief that America can significantly change China is preposterous. The Mongols and the Manchus, who actually ruled China for centuries, tried to change its fundamental character but were themselves changed and Sinified.

Reciprocal prosperity through trade is not one of Beijing's goals.

The Chinese have changed over the centuries, of course, and in time they will do so again, but only when they want to change.

The second demonstrable fallacy is belief in a vast China market that no foreign country or foreign firm can afford to neglect. The West has consistently been misled by this mirage, which has never materialized since Marco Polo visited China in the 13th century.

Not so long ago, U.S. manufacturers rubbed their hands in glee at the further orders sure to follow when Shanghai bought a complete machine shop. The Chinese had in mind, however, copying those machines so as to make more machine tools and subsequently use them to make other machines.

Beijing made another announcement when their officials and Mr. Lake were exchanging compliments on the progress they had made. Neither McDonnell Douglas nor Boeing, the two leading American airplane manufacturers, had been chosen to cooperate with China to produce a 100-seat passenger jet. That prize will go to European and Singapore companies.

Thus is America punished for sending aircraft carriers to the Taiwan Strait a few months ago when Beijing was firing missiles and staging large-scale military exercises to frighten voters on that Chinese-inhabited yet autonomous island.

America is also being punished for other alleged misdeeds, chief of which is failing to give in to Chinese pressure in every instance. So, too, are other countries often punished for not doing as China wishes.

China's economy is expanding faster than any other on earth, chiefly as a result of foreign investment, foreign expertise and foreign purchase of the many products made by very cheap Chinese labor. America is China's largest source of foreign exchange because China sells far more to the United States than it buys from it.

China will buy just enough abroad to fuel its industrial boom and build its essential infrastructure. Large orders for telecommunications equipment are a good example. But China will, just as soon as it can, produce all it needs itself. Reciprocal prosperity through mutually beneficial trade is not one of Beijing's goals.

The chief impetus of Beijing's foreign policy, as long as the Chinese Communists are in charge, will be the compulsion to punish and humiliate foreign countries, particularly former imperial powers like the United States, Britain and France, to pay them back for what they did to China in the past. A closely related purpose will continue to be the expansion of Chinese influence in Asia and other parts of the world. China's foreign policy will remain in the service of the regime's passion for revenge and for power.

The writer, a former Asia correspondent, is author of 15 books about Asia. He contributed this comment to the International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The Peace Faction in Northern Ireland Needs Outside Help

By Terry George

GALWAY, Ireland — In the 1970s, a young Catholic, I spent three years in various prisons in Northern Ireland as an uncharged political suspect and as a sentenced "special category" prisoner held on a firearms-possession charge. Soon after my release in 1978 I left Northern Ireland, but my life and much of my writing have been shaped by the Troubles.

One of my most vivid prison memories, shared with the other prisoners, was the gnawing fear that I would be "gated" — a term for a not infrequent police tactic whereby on the day of release a prisoner would be stopped at the prison gate and, within sight of freedom, be rearrested and led back into the barbed-wire compounds.

Fear of "gating" has left me cautious, often skeptical, although in the last year I have let my guard slip as I watched my countrymen enjoy normality, courtesy of the peace process. I began to believe that we all might get beyond the gate.

But in the past weeks we have all been "gated" twice — first, by the IRA bomb in Manchester in June, then by the Royal Ulster Constabulary's extraordinary decision last week to permit a Protestant march through the Garvaghy Road area, a Catholic neighborhood in Portadown. How did it happen so quickly?

The IRA and the British government could only mutter gibberish as excuses.

The IRA implied it was sorry that the Manchester police didn't realize just how much explosive material was packed in that van.

The British government tried to explain how the army that took back the Falklands couldn't prevent a Protestant flute band from walking down 400 meters of road because the *Northern Ireland police felt* threatened by the band's supporters.

Those precious months of peace were squandered partly, I believe, because we failed to recognize the psychological legacy of the previous 30 years.

There are not two but three cultures in Northern Ireland: Protestant, Catholic and the War. In a warped twist of history, the war culture manages to cross the sectarian divide. Seventy years of division and 30 years of conflict have so institutionalized many people that they find themselves best defined by the war.

The brand of unionism embraced by the Reverend Ian Paisley, head of the Democratic Unionist Party, and David Trimble, head of the Ulster Unionist Party, needs a constant state of siege. The perfect conditions for this are in the war, where the opposition (the Catholics) are most clearly defined as untrustworthy rebels.

If the war faction triumphs, there will be every species of elite killer driving around all of Ireland.

This loyalist siege mentality is further perpetuated by the fact that a large chunk of the loyalist economy comes directly from the war in the form of a vast police, prison and security apparatus that has helped provide financial stability for that community.

On the nationalist side, the war vents the frustrations of a community that believes it has been oppressed and discriminated against by the state. In recent years it has provided a high-octane alternative for some young Catholics to the brain-freezing tedium of the welfare line and the street corner.

The IRA cease-fire — now broken — and the peace process threw both communities into *confusion.* Peace beckoned, but no one properly took into account the war culture's addictive hold.

Of course, people don't say they are for the war, any more than they could say they are for cancer. Yet the politicians and the paramilitaries can be examined on their actions during the last year and separated into factions: the war faction and the peace faction.

The war faction is made up of hawks in the IRA, hawks among the loyalist paramilitaries, the Paisley and Trimble factions of unionism and certain extreme sections of the British Conservative Party.

The hawks of the Irish republican movement believe only in the fantasy of an Ireland united by physically driving out the British; anything less is betrayal. The Protestant loyalist members of the war faction have become so dependent on the war that in the period of peace they floundered and sputtered.

The peace faction consists of a sizable section of local Catholic and Protestant political parties; a strong but not dominant wing of Sinn Fein, the political arm of the IRA; and, perhaps most important, key figures in the loyalist paramilitary camp — most notably Gary McMichael, political leader of the Ulster Defense Association, and David Irvine, political leader of the Ulster Volunteer Force.

The British and Irish governments clearly want peace, too, but the vagaries of staying in power sometimes lead them to undermine the process.

The peace faction faces tremendous odds because the war faction members are self-fulfilling prophets. Their actions (Manchester, Garvaghy Road) precipitate the doom they foresee. Mr. Paisley, Mr. Trimble and IRA hawks know this well.

If peace is to prevail, we must encourage the peace faction to unite, and actively help them overwhelm the war faction.

First of all, there must be no preconditions for talks. There will be no unilateral handing over of all weapons before peace; the Catholic community does not trust the police. Silencing the guns is enough. Most members of the peace faction are not bogged down on this issue. The war faction is using it to scuttle the talks.

Next, Gerry Adams, the leader of Sinn Fein, must be helped to broker another cease-fire as soon as possible. He has to prove his bona fides to loyalist members of the peace faction by pushing the IRA for that cease-fire. In this he must be aided by the U.S. government, which should lean on the British to remove preconditions.

Key players in the peace faction must unite. Mr. Adams, Mr. McMichael and Mr. Irvine have shown restraint and good sense in the past months. Now they should create a forum to try to resolve issues such as those surrounding the Garvaghy Road march. They all have said they want to talk. Prove it.

If there are physical flash points, the British should build a way out. Their government has spent billions of dollars on counterinsurgency architecture in Northern Ireland. Let it spend money for peace. Build a new Garvaghy Road around, rather than through, the Catholic neighborhood. Move Belfast's Orneau Bridge, another traditional confrontation site.

If people in Northern Ireland want the peace process to work, they must decide to which faction — war, or peace — their leaders belong. This is not about abandoning tradition. It is a weeding out of the conscious or unconscious warmongers in their midst, so that tough, good-faith negotiation can take place.

The stakes are higher than ever. If the war faction triumphs, then we are all about to be gated once more, and I can tell you with some surety what is behind that gate. There will be bombs in England and Ireland — maybe no-warning bombs, or "Sorry, we meant to give a warning" bombs.

There will be slaughter in bars and clubs by gunmen toting AK-47s. There will be blockbuster mortars leveling police stations, and there will be every species of elite killer, official and unofficial, driving around all of Ireland.

In 30 years our culture of war has taught us well. We're the best at high-tech bombs, covert operations and terrorizing the terrorists.

The war faction is strong. The peace faction needs help.

Mr. Horgan is co-writer of the film "In the Name of the Father" and director of the forthcoming "Some Mother's Son." He contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Venezuela Case

LONDON — The questions of Venezuela and international arbitration have again been brought prominently to the front by the publication of a Parliamentary paper last night [July 17] containing a further batch of correspondence that has passed between the British and American Governments. Lord Salisbury also made a statement on the subject in the House of Lords and both the Blue-Book and the Premier's speech show the negotiations to be still in an incomplete stage.

1921: Socialist Secret

POUGHKEEPSIE — Justice Morschauser heard the testimony of Mrs. Andree Simon White to substantiate her plea of annulment of her marriage to Rouck White on the ground that she was deceived regarding his Socialistic views when she married him in Paris several months ago. The wife testified that White never revealed his Socialistic views. She left her husband after he punished her for throwing eggshells in the cookstove. White was later tarred and feathered by irate neighbors and was "rotten-egged" when he ventured into town.

1946: General Shot

BELGRADE — General Draza Mihailovich has been executed, the government disclosed today [July 17]. Within forty-eight hours after conviction and denial of the appeal of Mihailovich and the eight others condemned with him, the sentence imposed by a military court was carried out. The government confirmed the execution. It appears that the government attitude now is to relegate the case into limbo as quickly as possible to create no side issues mitigating the new emphasis on Trieste.

OPINION/LETTERS

Where's Our Sense of History?

By William Pfaff

PARIS — A characteristic problem of this generation is that it doesn't seem to understand what it was like for any other generation. Anachronism rules. Every figure from the past is held accountable for not thinking and acting as right-minded people do today.

We saw this in 1992, on the 500th anniversary of Columbus's voyage, when the navigator was excoriated as a genocidal imperialist and racist, even though genocide, imperialism and racism are concepts that were unknown in the 15th century.

The Smithsonian Institution in Washington has recently had to revise or suppress exhibitions on the bombing of Hiroshima and on slave life at the time of the Civil War because they failed to display these matters as people want to see them today.

In London last week, distress was expressed in some circles at the discovery that George Orwell was an anti-Communist, and had tried to keep Communists out of a secret propaganda unit run by the Foreign Office.

This came out in just released official papers. In 1949, George Orwell was very ill with the tuberculosis that was soon to kill him, but he gave an official "a list of journalists and writers who in my opinion are crypto-Communists, fellow-travelers or inclined that way, and should not be trusted."

Orwell had seen the Soviet secret police at work in Spain during the civil war there,

The late and great subjected to modern-day morality.

where he had served with a dissident left-wing brigade that Soviet agents and the Spanish Communists tried to destroy.

The official to whom he gave his list was the sister-in-law of another anti-Communist, Arthur Koestler, who after his stint as a secret Communist agent in Germany and Spain had written one of the best and most influential of anti-Communist novels, "Darkness at Noon."

Both men had personal experience of Communist methods and excellent reason to resist Communist influence in postwar Britain, which was considerable. Many liberals and leftists were not only grateful for Russia's immense war effort but often were still under the influence of propaganda that said Stalin's communism was a superior version of democracy.

Orwell considered those who did think such things unsuitable for employment by a government propaganda agency, which one would think solid good sense. He was not accusing them of being Soviet spies, nor was he damaging their reputations or livelihoods — he insisted the list be kept confidential.

Yet a remarkable number of people have said that Orwell "betrayed" his own side, which would presume that British socialism and Stalin were on the same side. They are also upset that Orwell "named names," saying that this was "McCarthyism," again betraying ignorance of the period. Senator Joseph McCarthy made public denunciations of people he claimed were Communists or pro-Communist, intending to destroy their reputations and careers.

A similar ignorance of the past is revealed in the dispute in Washington about the new memorial for Franklin D. Roosevelt, being built near the Jefferson Memorial.

Should he be portrayed standing or in a wheelchair? FDR was crippled by poliomyelitis when he was 39. Afterward he could stand if he was locked into his leg braces, but was otherwise confined to the wheelchair.

Most of those on both sides of the argument seem convinced that the president's disability was a secret. He is supposed to have deliberately hidden it with the connivance of the press.

This is nonsense. I was a child when FDR was president and I knew that he had polio, and so did everyone else. Every year there was a big drive, "The March of Dimes," for polio research, and he was the public patron of the March of Dimes, which was linked to his birthday.

He sponsored the institute at Warm Springs in Georgia where they treated polio victims and did research on the disease. His visits to Warm Springs were shown in the newsreels in movie theaters, and it was there, of course, that he died.

Polio — "infantile paralysis" — was a vital issue in American homes then. People with children lived in dread of an outbreak of the disease. These usually came in the summer, and swimming pools and playgrounds would be ordered closed. People would keep their children home for fear of infection. It seemed a consolation that the president was himself a victim.

What confuses people today is that the president was not photographed in the wheelchair. He was always shown sitting, usually jauntily, but in a chair or automobile, although he sometimes stood, as when addressing Congress. He wanted to avoid images of dependence. That may be criticized by today's conventions, but it made sense politically, abroad as well as at home.

None of this, in itself, is particularly important. What does seem important is that people take so little trouble to find out what actually did happen in the past, even in the lifetimes of the living.

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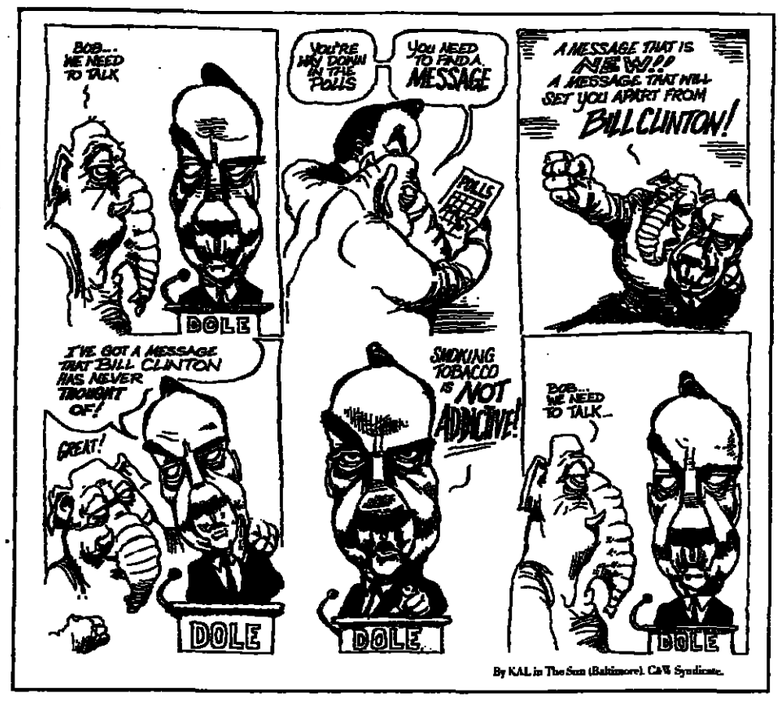

We Have Bad News, And More Bad News

By Geneva Overholser

WASHINGTON — A reader recently called very unhappy. "The paper gives such a distorted view of the world," she said. "It makes everything seem hopeless."

The call made me think about news judgment — how

MEANWHILE

an American newspaper decides what to print. And it made me think about a couple of people who talked to me recently who believe that news judgment today is quite flawed and who are trying to do something about it.

First, news judgment. Most newspaper people would say that inevitably much of what is in the paper will be bad news. A defining characteristic of news is that it is the exceptional. The exceptional is when things go wrong — when someone is murdered, when fire destroys a building — so of course there is much in newspapers that is negative.

But a mere assemblage of such facts (crime, fires, racism, natural disasters, accidents, failures) will hardly give readers an accurate view of what is going on around them. And giving an accurate view is what we ought to be doing.

Yet it is hard to read an American newspaper today and not come away with a feeling that nothing works — not politics, not government, not the economy. Certainly not schools or cities. And television news, with its "If it bleeds, it leads" philosophy, is even worse.

A couple of years ago, Frances Moore Lappe and her husband, Paul Martin Du Bois, decided that this narrow, negative focus was more than a journalistic problem. They concluded that, as long as people feel that the difficulties facing American society are overwhelming and that no solutions are in sight, there won't be any problem-solving. People have to have hope in order to act.

Meanwhile, they were finding that lots of promising and innovative things were going on in America, but that it was very hard for people to learn about them. So the two set up something they call the American News Service to tell some of those stories.

They struggle to avoid the notion that this is a good-news news service. Newspaper people would immediately smell fluff. The service's founders say it is substance they are after. They say it is easier to cover a school shooting than to cover the process through which parents, teachers, students and administrators remake a curriculum. And the latter is the kind of story they think Americans need more of.

Moreover, they say their stories come closer to people's lives than does traditional newspaper fare. Three of their articles came over the wire as I wrote this column. They tell of neighborhoods working with police to fight crime, farmers developing new uses for their crops, and breast cancer survivors banding together.

Whether the fledgling news service will make any difference or not, its founders are on to something. The press doesn't tell nearly enough substantial stories about things that work, innovations, citizens who act, problems that are solved.

The unflinching delivery of bad news always will be a critical component of a responsible news report. But it's not the only component. The neighborhood that roots out drugs, the school that raises its scores, the preachers and politicians who band together to bring a city back — these are news stories, and they deserve thoughtful coverage and prominent display.

As for the old saw that only bad news sells — baloney. My unhappy caller has lots of company, people who feel that the news media focus so much on the failed and the unworkable that they can't stand it anymore.

The writer is ombudsman of The Washington Post.

LETTERS TO THE EDITOR

Netanyahu's Ovation

Regarding "Netanyahu Wields American-Speak to Get the Message to Congress (July 12):

It is a sorry sight when Prime Minister Benjamin Netanyahu gets a standing ovation from Congress for, in effect, vetoing a peace process for which the United States in the hope of bringing peace and justice for all the parties involved, worked tirelessly, one for which Shimon Peres sacrificed his political career, and one for which Yitzhak Rabin lost his life. Maybe a mirror each for those spineless sycophants would help them find the cause of Congress's poor reputation.

HERMAN ARCHER.
Ankara.

Latvian Democracy

Regarding "Life After Leninism" (Editorial, June 26):

Latvia has been characterized as one of the Baltic states that is a "re-established vibrant democracy, with energetically competing political parties and basic freedoms guaranteed."

Calling the Latvian regime a "vibrant democracy" is a misunderstanding of the definition of democracy. In a country where the third of the population (mainly ethnic Russians) cannot vote because of onerous citizenship requirements, basic freedoms are not guaranteed. The majority can impose its rule over a minority in a democratic fashion only when the minority is included in the electorate. Otherwise, it is an authoritarian imposition by the majority over a minority.

This is exactly the case in Latvia, where the Union of Noncitizens has not been given the right to register as a political party. In addition, almost all children who were born in Latvia to the people who immigrated into the country after World War II are not citizens either.

It is true that extreme measures like putting the opposition into prison are not found in Latvia. However, if one takes a closer look at the issue, Latvia has authoritarian practices that should be condemned.

NATHALIA ROGERS.
Greenlawn, New York.

Criticism of China

I would like to thank Gregory Clark for his soothingly reassuring piece on Asia (*"Western Criticism of Asians Needs Rethinking," Opinion, July 6*). It's a relief to learn that though China's methods used against Tibetans may be "less than attractive," the killing and mayhem are inflicted in he good cause of sovereignty over Tibet. It's also nice to know that dissidents are not always executed but merely imprisoned, even if Chinese prisons may not be "lily-white." And that the "Tiananmen affair" happened only because "inexperienced troops had been sent in."

In fact, after reading Mr. Clark, I have half a mind to get out of the oppressive West and settle in liberal China.

MEIR LEKER.
Paris.

Among Beijing's "serious mistakes" about Tibet alluded to, but not enumerated, by Mr. Clark are invasion and occupation of a culturally and regionally separate people, the near destruction of its religious infrastructure, and a deliberate policy of repopulation by ethnic (Han) Chinese. But more astounding than Mr. Clark's glossing over of this is his logic: that Beijing's ruthlessness is legitimated by the oppression of other minority peoples (Kurds by Iraq and Turkey, Chechens by Russia), and the indifference of foreign governments.

Mr. Clark's China is as unrecognizable as his explanation of the massacre around Tiananmen Square — not enough cattle prods — is ludicrous. China does not tolerate dissent, and has, by any measure, become one of the most corrupt societies in the world, especially when it comes to the exercise of arbitrary authority. I defy Mr. Clark to find any witnesses of the blitzkrieg against unarmed students in 1989 who shares his assessment of Beijing's reaction as "tolerant."

Mr. Clark is right that the West has a human-rights double standard for much of East Asia, but seems to forget that only a few years ago—as long as the Soviet Union was around—the bias was tilted in China's favor. But whether the West's feelings toward Beijing are running hot or cold bears little relation to actual changes in China, and certainly does not obviate that a government's brutal and self-serving use of force against its own or a neighboring people is just plain wrong.

MARLOWE HOOD.
Paris.

BOOKS

WHEN THE BOYS CAME BACK: Baseball and 1946

By Frederick Turner. 290 pages. $27.50. Henry Holt.

THIS SIDE OF COOPERSTOWN: An Oral History of Major League Baseball in the 1950s

By Larry Moffi. 262 pages. $24.95. University of Iowa Press.

Reviewed by
Robert W. Creamer

THE latest issue of the Wodehouse Society's quarterly, Plum Lines, mentions a P.G. Wodehouse story called "How's That, Umpire?" in which Wodehouse pokes fun at the Marylebone Cricket Club, the holy of holies of cricket, and the "aged aficionados" who spend their time talking about cricket in the old days and the heroes who used to play the game.

Wodehouse in fact liked cricket, which he played well when he was young, just as he came to like baseball when he was an old man living on Long Island and rooting for the New York Mets. But his point strikes home, because he might just as well have been writing about us baseball fans, whose appetite for the past is insatiable. How else to explain the almost unceasing flow of books of baseball history and nostalgia that kindly publishers keep sending our way?

"When the Boys Came Back" by Frederick Turner begins with a preface that captures the essence of early 1946. It describes a sailor just discharged from the navy who was unwilling, in that overcrowded spring, to wait several days for the next available seat on a bus or train (a seat on a plane was out of the question). So, like many other servicemen, he went out to a highway, stuck out his thumb and hitchhiked home to Pittsburgh. The sailor was Stan Musial, who before going into the navy played in three World Series for the St. Louis Cardinals, won a National League batting championship and one year was named Most Valuable Player. How would such a baseball hero come home today, in an age when a batter gets high-fives in the dugout for grounding out to second base? But that's the way it was then.

The plethora of players meant that for team owners it was a buyer's market. Despite postwar inflation, salaries remained low, sometimes astonishingly low. The Brooklyn Dodgers' Gene Hermanski got all of $4,000 only after arguing with General Manager Branch Rickey. Players, some of them established stars, were tempted by Jorge Pasquel's offer of better pay in his independent Mexican League and jumped to that so-called outlaw competition. Some returned, but even so the assault on baseball's status quo was momentous.

In April 1946 a labor lawyer named Robert Murphy began his attempt to organize the players into a union or "guild." He failed, but his efforts brought about changes in the player-owner relationship that continue to echo today.

Turner also notes the 1946 arrival of Jackie Robinson in the high minor leagues, but he blends the sociological impact of baseball's racial and economic changes with sheer on-field excitement, of which there was plenty.

More subtle things are also touched on. 1946 was Durocher's last full season as Brooklyn's manager, and Turner's account leaves an indelible picture of Leo's relentlessly aggressive, offensive, antagonistic personality, which surely contributed to his stunning suspension for a full season the following spring and the effective end of his career with the Dodgers. Larry Moffi's "This Side of Cooperstown" is the latest in the baseball oral-history genre inaugurated so brilliantly by Lawrence Ritter in his 1966 masterpiece, "The Glory of Their Times."

Moffi chose 19 players whose careers were not quite long or distinguished enough to warrant election to Cooperstown but who were good enough to play nose-to-nose with those who were. For example: Marty Marion, considered the best shortstop in the National League during his peak years; Virgil Trucks, who won 20 games once and 19 twice and who threw two no-hitters in the same season; Mel Parnell, a 25-game winner one year for the Red Sox; Roy Sievers, who hit 42 homers in 1957 to beat out Ted Williams and Mickey Mantle for the American League home run title. They could play.

One or two want you to appreciate how good they were, but most of the 19 seem happy just telling stories. Closest to the warm tone and flow of "The Glory of Their Times" is Trucks, who talks with obvious pleasure and engaging humor about his life in baseball, including the time he got his club to give him a $1,000 raise because a player he had always won money from playing golf had been traded away. And Milt Bolling, a white Southerner, remembers going to a game between two black teams in Alabama when he was still in college and seeing an amazing throw by a young center fielder he had never heard of. "We looked at our scorecard," Bolling recalls, "and all it said was Mays."

I enjoyed both of these books. Wodehouse might have too.

Robert W. Creamer, the author of several baseball books, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

TRADITIONALLY, an opening three-bid, vulnerable, is supposed to be based on a strong seven-card suit, but most players relax that requirement, particularly in the third seat.

On the diagramed deal South wanted to disrupt the opposition bidding, but wound up regretting his decision to open three clubs. The East-West players chose to defend three club doubled, knowing that they would need to collect at least 800 to compensate for a probable vulnerable game. East was lucky to find West with three clubs and North with none.

West led the heart king and shifted to the diamond king. South won with the ace in dummy and led a spade to the queen and ace. West led his last spade. East took the king, cashed the heart queen, and led a diamond.

West took the queen and returned the suit, leaving East on lead in this position after taking the jack:

NORTH
♠ J 9 8
♡ 10 8 5
◇ —
♣ —

WEST ♠ — ♡ A 9 ◇ 6 ♣ K 8 2
EAST ♠ 6 5 ♡ — ◇ — ♣ A 7 9 4
SOUTH ♠ — ♡ — ◇ — ♣ Q J 10 9 5 3

South had been stripped of his side-suit cards, and when a spade was led he could not avoid the loss of three trumps tricks.

NORTH (D)
♠ J 8 6 7 4
♡ 10 8 5 3 2
◇ A 6 3
♣ —

WEST ♠ A 2 ♡ A K 9 4 ◇ K Q 8 5 ♣ K 8 2
EAST ♠ K 6 5 3 ♡ Q 8 ◇ J 4 2 ♣ A 7 9 4
SOUTH ♠ Q 10 ♡ J 7 ◇ 10 9 7 ♣ Q J 10 9 5 3

Both sides were vulnerable. The bidding:

North	East	South	West
Pass	Pass	3 ♣	Dbl.
Pass	Pass	Pass	

West led the heart king.

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NORWAY	N.KR.	3,500	1,750	1,050
PORTUGAL	ESC.	51,000	25,500	15,500
SPAIN	PTAS.	55,000	27,500	16,500
SWEDEN	S. KR.	3,500	1,750	1,000
SWITZERLAND	S. FR.	610	305	185
REST OF EUROPE ex CEI	$ US	485	245	145
CEI	$ US	750	375	225
UNITED STATES	$ US	360	180	115

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HEALTH/SCIENCE

Pain Can Signal Exercise Injuries, So Listen to the Message

By Jane E. Brody
New York Times Service

NEW YORK — As millions of recreational runners, tennis players, golfers and swimmers have sadly discovered, you do not have to be training for the Olympics to suffer the pain and physical limitations of overuse injuries. Among the walking wounded are runners with shin splints, stress fractures and Achilles tendinitis; racquet and club swingers with tennis and golf elbows, and swimmers with sore shoulders.

Many try to play through their pain, unwilling to interrupt their activities and hoping against hope that whatever is wrong will work itself out. But all they do is make matters worse.

Typically, they further complicate their injuries and lengthen the amount of time it takes to heal. For example, by trying to run despite shin splints, which are injuries to the calf muscle where it attaches to the bone, you risk developing a stress fracture in the shinbone.

Pain talks, and you would be wise to listen. Pain tells you that something is not right with your body and how you are using it.

Coping with the pain is not just a matter of popping over-the-counter painkillers and icing down the injured part after your workout. Getting rid of the pain requires the proverbial rest and rehabilitation, and, most likely, adjustments in how you perform your activities, including the intensity with which you pursue them and the equipment and techniques you use.

Overuse injuries result from repeated microtraumas, causing inflammation and sometimes tissue damage. Without sufficient rest between activity sessions to permit healing, these mini-injuries finally add up to a big hurt, which diminishes performance and eventually makes it impossible to continue the activity.

Repeated tissue damage that is not given the opportunity to heal can result in hairline fractures, inflamed joints and muscles, strained ligaments and torn or inflamed tendons. Some people have biomechanical abnormalities that increase their vulnerability to overuse injuries. One of the most common biomechanical factors leading to chronic microtrauma is an inherent inflexibility that is compounded by a behavioral factor: the failure to do adequate stretching exercises before and after activities that stress muscles and joints.

For example, running, basketball and hiking tighten the calf muscles, which in turn strains the Achilles tendon each time your foot pushes off the ground. Eventually, this strain can add up to Achilles tendinitis, a degeneration of this vital band of tissue, which connects the heel bone to the calf muscle.

Errors in technique and the wrong choice of equipment are common factors in injuries like tennis elbow, which occurs when a tendon degenerates because of chronic stretching beyond its ability to recover.

REDUCING the risk may require changing to a racquet with a properly fitted grip and less stiff frame, along with a few lessons on how to stroke the backhand properly and perhaps, when playing, the use of a small brace just below the elbow.

To head off overuse injuries, be sure you are in good enough shape to take up your chosen activity, be it tennis, running or hiking. Start slowly and build up gradually.

Changes in the frequency, duration and intensity of your activity should always be gradual. Do not expect to be able to run a marathon within three months of starting to run. Or, after years of weekend tennis, do not expect to survive a two-week stint at a tennis camp intact.

Alternate your activity days with days taking a break from that activity, on those days, you can do an activity that uses different muscles. For example, you might alternate running with cycling or swimming. Those who do the same strenuous workout day after day keep damaging the same tissues without giving them adequate time to heal.

If an activity leads to discomfort, do not ignore it. The sooner a proper diagnosis is made and treatment is begun, the faster you will be back at the game. A referral to a physical therapist for rehabilitation and conditioning to increase fitness is often the quickest — and most lasting — route to a speedy return to a favorite activity without risking further injury.

You may also benefit from some mechanical aids, like orthotic devices in your shoes, new shoes, a brace or tape for the injured area, a new racquet, a different playing surface or professional instructions on how to use your body to avert injuries.

Once you are free of pain and get the go-ahead to start your preferred activity again, it is crucial to begin slowly, with low-intensity workouts, and to build up gradually, over weeks or months, to your former level.

Happiness May Lie in Your Stars

Good News But Also Bad

By Daniel Goleman
New York Times Service

NEW YORK — When it comes to that quintessential American passion, the pursuit of happiness, the news from science is mixed.

The good news is that the sting of life's slings and arrows is surprisingly short. The bad news is for vacationers: the mellow glow from a week or two away will fade just as surely.

Happiness, many psychologists are concluding, seems to be largely determined by the genes, not by outside reality. However tragic or comic life's ups and downs, people appear to return inexorably to whatever happiness level is pre-set in their constitution.

The idea is similar to the set-point concept in weight control, a theory that says the brain seems to be wired to turn the body's metabolism up or down to maintain a pre-set weight.

There is also, these scientists contend, a set point for happiness, a genetically determined mood level that the vagaries of life may nudge upward or downward, but only for a while. With time, the grouchy tend to become as cranky as before, and the lighthearted cheery again.

Interviews with a range of psychologists show that the idea of a biological set point for a sense of well-being has wide support in the field, though there are quibbles on details.

"It's a brilliant idea — it's well worth pursuing," said Dr. Jerome Kagan, a developmental psychologist at Harvard University who has studied temperament in children. "It's clear that T.S. Eliot was by nature dour, and Jay Leno is congenitally upbeat. But we're far from filling in the biological blanks."

The set-point idea seems to make sense of longstanding data on happiness that have puzzled researchers. Some of the studies simply take people's word for how happy they are, while others use less direct measures — like observing how exuberant they are.

Studies of happiness in several countries have found that money makes little difference to perceptions of happiness, except among the very poor. Nor do education, marriage and a family, or any of the many other variables that researchers have sought to correlate with contentment. Each factor may make a person a little happier, but it has a minor impact, compared with the individual's characteristic sense of well-being.

"We find that for events like being promoted or losing a lover, most of the effect on people's mood is gone by three months, and there's not a trace by six months," said Dr. Edward Diener, a psychologist at the University of Illinois at Urbana. Dr. Diener, with his wife, Dr. Carol Diener, also a psychologist there, proposed the notion of a happiness set point in the May issue of the journal Psychological Science.

Forget those if-only-I-could-win-the-lottery-I'd-find-happiness-forever fantasies; Dr. Edward Diener cites data showing that lottery winners are no happier a year after their good fortune than they were before.

The set-point concept has been seized by some genetics researchers, who say new data on twins give the strongest support to date for that idea.

"About half of your sense of well-being is determined by your set point, which is from the genetic lottery, and the other half from the sorrows and pleasures of the last hours, days or weeks," said Dr. David T. Lykken, a behavioral geneticist at the University of Minnesota who published results from a study of 1,500 pairs of twins in the May issue of Psychological Science. His estimates are based on comparing how members of pairs of fraternal and identical twins rate their sense of well-being.

A common way to estimate how much of a trait is based on genetics is to look at the similarities that show up in identical twins, who share their genes 100 percent, compared with fraternal twins, who are no more similar genetically than any other siblings.

"There is little difference in well-being among identical twins raised together, compared with those raised apart," said Dr. Auke Tellegen of the University of Minnesota, a co-author of the study with Dr. Lykken. Life circumstances, like salary, education or marital status, predicted only 2 percent of the variation within each pair of twins, Dr. Lykken said.

"Those in prestigious positions or professions were not happier than those who went to work in overalls, nor were those who finished their Ph.D.s happier than those who never completed eighth grade. You can predict happiness levels vastly better just by knowing the other identical twin's score."

STILL, doubts remain about the set-point idea. Dr. Howard Weiss, a psychologist at Purdue University, takes issue with Dr. Lykken's estimate that about 50 percent of a person's sense of well-being is due to an inherited set point.

"A heritability estimate based on a single study has to be viewed with caution," Dr. Weiss said. "Though no one is disputing a part of your satisfaction in life is due to genetic factors, we don't really know yet if it's 25 percent, 50 percent or 75 percent."

The idea that a person's typical mood persists over time has been borne out by data from several large studies that followed people over many years. One is the National Health and Nutrition Examination, which monitored reports of well-being from close to 6,000 men and women over 10 years.

"We find that the people who are relatively happiest now will be the happiest 10 years from now, despite the day-to-day fluctuations," said Dr. Robert R. McCrae, a research psychologist at the National Institute on Aging. Dr. Lykken sees in his data a recipe for living that calls for nudging one's level of happiness into the higher registers of one's range. Dr. Lykken's advice:

"Be an experiential epicure. A steady diet of simple pleasures will keep you above your set point. Find the small things that you know give you a little high — a good meal, working in the garden, time with friends — and sprinkle your life with them. In the long run, that will leave you happier than some grand achievement that gives you a big lift for a while."

Pattern for Zest for Life

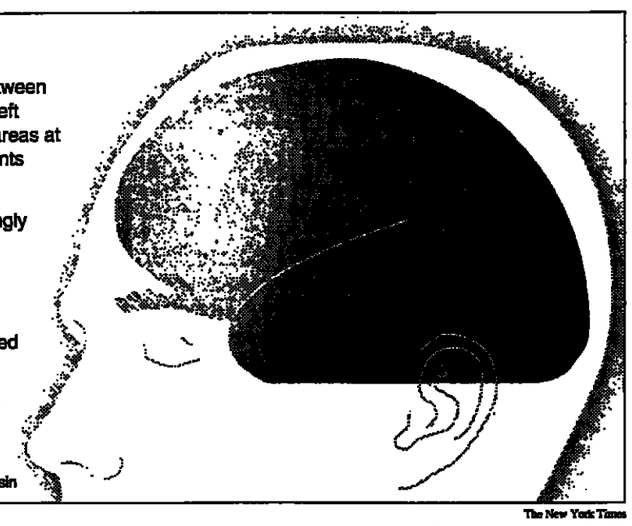
Researchers have found a correlation between relatively greater electrical activity in the left prefrontal region of the brain (the lighter areas at right) and strong agreement with statements like the following:

"When good things happen to me, it strongly affects me."

"I will often do things for no other reason than that they might be fun."

"When I get something I want, I feel excited and energized."

"When I'm doing well at something, I love to keep at it."



Source: Dr. Richard J. Davidson/University of Wisconsin

The New York Times

Fitness Can Help Even Smokers

By Susan Gilbert
New York Times Service

NEW YORK — Coming on the heels of a report by the surgeon general recommending moderate exercise for good health, a new study provides one of the strongest incentives yet to walk and not drive, and to take the stairs and not the elevator.

The study found that low fitness is a risk factor of the same order as smoking. In the study, smokers with high blood pressure and high cholesterol who were in moderately good shape lived longer than nonsmokers who were healthy but sedentary. The finding is by no means a license for those who exercise to smoke or eat fatty foods, said the study's lead author, Dr. Steven N. Blair, director of research for the Cooper Institute for Aerobic Research in Dallas. But it goes a step further than previous research in that it measures precisely how dangerous poor fitness is in relation to other leading risk factors for premature death.

"It's the first study to show that low fitness is at the top with smoking," Dr. Blair said. "It's a more powerful risk factor than high blood pressure, high cholesterol, obesity and family history."

Both low fitness and smoking nearly doubled the risk of early death for men and women, Dr. Blair said. The study is being published this week in The Journal of the American Medical Association. The results were drawn from the continuing Aerobics Center Longitudinal Study, which is examining the health consequences of different fitness levels in 25,341 men and 7,080 women.

The participants' fitness levels were identified as low, moderate or high with a standard treadmill test. In addition, the men and women were asked whether they smoked, were given tests for blood pressure, cholesterol and glucose, and were examined for signs of chronic disease, like heart disease or cancer.

Dr. Blair and his colleagues followed the participants for an average of eight and a half years, looking for common factors among those who survived and those who died. They made three major observations.

First, low fitness was a strong predictor of all causes of death. Men who were the least fit were one and a half times as likely to die as men who were the most fit, and women in the low-fitness category were twice as likely to die, the study found. Even more intriguing was the finding that men and women who were fit but had various risk factors were less likely to die than those who were not fit but were otherwise healthy.

FOR example, highly fit men who smoked and had high blood pressure and high cholesterol levels had a 15 percent lower death rate than nonsmoking men who were not physically fit but had no other risk factors. Dr. Blair said this suggested that many people considered healthy by their doctors might in fact be at risk of early death simply because they do not exercise enough.

The new study also provided further evidence that moderate fitness, not just the high degree of fitness achieved by athletes, can help people live longer. In the study, the mortality rate for moderately fit nonsmoking men was 41 percent lower than the rate for nonsmoking men in poor aerobic shape.

Dr. Blair said that moderate fitness could be attained within 10 weeks if people followed the guidelines in the surgeon general's report and exercised moderately on most days — for example, by walking a mile and a half (2.5 kilometers) in 35 minutes, bicycling three miles in 30 minutes or gardening for 30 to 45 minutes.

The Grim Forensic Work in Srebrenica

By Barry James
International Herald Tribune

DIGGING up mass graves, identifying the victims and providing evidence for the courts has become a grim new science for the end of the 20th century. In Srebrenica, where an estimated 3,000 unarmed civilians were massacred by Bosnian Serbs last summer, a team of experts from Physicians for Human Rights has been piecing together a picture of who did what to whom and how.

In the last decade, the Boston-based voluntary organization has acquired unique expertise in uncovering facts that many would prefer to remain buried with the victims.

The organization brings together a wide range of specialists: anthropologists specializing in human identification, pathologists, archaeologists, radiographers and molecular biologists.

The work began with the excavation of mass graves in Argentina in 1985 at the invitation of the new democratic government of President Raúl Alfonsín. Following similar work in El Salvador, Guatemala, Iraqi Kurdistan, Croatia and Rwanda, the organization was asked by the International War Crimes Tribunal in the Hague to provide evidence in the Srebrenica massacre.

Most of the specialists who are taking part in the Srebenica operation have donated their time. What keeps them going at a task that is frankly disagreeable, arduous and unrecognized by the public is the sense that they are contributing both to historical accuracy and human healing, said Dr. Robert H. Kirschner, director of the organization's international forensic program.

"Providing evidence for the war crimes tribunals, and preserving the historical record so that people will not be able to come along and say these things never happened, are very important," Dr. Kirschner said.

By identifying victims, the specialists are also able to help families psychologically to get on with their lives, while the identification and proper reburial of the missing dead is an essential part of the process of peace and reconstruction.

Speaking from his home in Chicago after a visit to Srebrenica, Dr. Kirschner said that opening up mass graves and viewing the bodies is not the most emotionally wrenching part of the work.

"The emotional part comes in talking to the families of the victims, and to survivors and witnesses," he said. "Those are the things that stay with me, even for years."

EVIDENCE from the grave is used to corroborate the testimony of families and witnesses, and to establish the cause and time of death. Even seemingly insignificant objects, such as scraps of cloth and metal, can — with the help of science — become powerful silent witnesses to criminality.

As in an archaeological dig, the grave site is surveyed and carefully mapped. Every action and find is photographed and recorded on video tape.

The organization's forensic anthropology team is lead by Dr. William Haglund, a medical investigator in Seattle. He specializes in human identification methods, including fingerprinting, DNA analysis and facial approximation.

Dr. Kirschner, a forensic pathologist, is an authority on the documentation of torture, extrajudicial executions and child abuse — a career that has made him deeply pessimistic about the state of the world. "We certainly haven't made any progress in moral or ethical terms for the past 100 years, and that's something I find very discouraging," he said.

Another key member of the team is Cyril Chan, a forensic radiographer and photographer from St. Albert, Canada, who specializes in the use of two-dimensional facial reconstruction. Mary-Claire King, a molecular biologist specializing in breast cancer, has helped Physicians for Human Rights set up a laboratory at the University of Washington to analyze DNA samples.

Other experts come from Guatemala, Chile, Denmark, Britain, Turkey, Israel and the Netherlands. This international aspect is a vital element of the organization's impartiality, Dr. Kirschner said.

Physicians For Human Rights also does a great deal of nonforensic work, such as investigating conditions in refugee camps and prisons. It investigated the use of poison gas by Iraq against its Kurdish population, and was one of the prime movers in the international campaign against land mines. It has also trained forensic teams in Argentina, Guatemala and Ecuador.

In former Yugoslavia, the international war crimes tribunal is granted free access to mass grave sites under the Dayton agreement. Investigators intend to exhume approximately 20 sites in Croatia and Bosnia-Herzegovina.

In Bosnia and in Rwanda, the teams from Physicians for Human Rights have had to deal with relatively recent graves, including one in Rwanda that contained 450 bodies. Previous investigations in Latin America involved remains that had become fully skeletalized.

CROSSWORD

ACROSS

1 First course, maybe
5 Mans
11 Kind of site
14 About 30% of the earth
15 "Anybody ho-o-ome?"
16 Car m.p.g. raters
17 "Hee Haw" comedienne
19 Cave-dwelling fish
20 Second-brightest stars
21 Stormed
23 What Jesus spoke
25 High school class, informally
27 Broad ties
30 Architect Jones
33 Tough turkeys
36 Take — (accept congratulations)
37 Israeli desert
38 Health care lobby: Abbr.
39 Chicken —
41 Otto I's realm: Abbr.
42 London cricket ground
44 Vega's constellation
45 W W II gun
46 Risible
47 Ancient Mexican
48 Farm field, maybe
51 Specious debater
55 Amber wines
58 Home of the biblical city Ephesus
60 Flightless bird
61 Noted Swiss item
64 No-good ending
65 Yupik speaker
66 Case for a vet
67 Presidential monogram
68 Salt
69 Associate Suffix

DOWN

1 Afro-Brazilian dance
2 Willow switch
3 Range of the Rockies
4 Straw hats
5 Word for a storm
6 Choose
7 Epithet of Athena
8 Not increasing, as earnings
9 Loud
10 Comforting
11 Traditional homework time
12 Sporting sword
13 Coming out on top?
18 "A miss — good . . ."
22 Volcano's shape
24 Suffix with egotist
25 Shade of blue
28 Godzilla's target
29 Ice cream features
31 Actor Richard
32 Kind of mitt
33 Drying powder
34 Melville novel
35 The Winslows family dog
38 Imputes
40 Org. whose symbol is a four-pointed compass
43 Reno cubes
45 Teaches
48 Big story
50 Expunge
52 Preferred term for 65-Across
53 Until now
54 Starchy food, informally
55 Repair
56 In the center of
57 "You Are My Destiny" singer
58 Slide sideways
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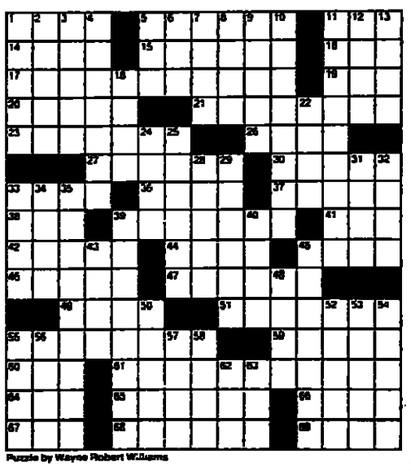
63 Wheel part



Puzzle by Wayne Robert Williams

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Solution to Puzzle of July 17

L	E	C	H		S	P	E	A	R		R	I	F	T
A	C	H	E		K	A	T	I	E		O	R	E	O
W	H	A	T	S	I	T	A	L	L	A	B	O	U	T
N	O	R		O	T	O		S	E	C	O	N	D	S
		L	O	M	O	N	D		Y	E	T			
H	E	E	H	A	W		E	V	A		S	L	O	W
E	L	S	O	L		I	V	I	N	S		I	N	A
I	S	T	H	I	S	S	E	A	T	T	A	K	E	N
R	I	O		S	H	I	L	L		P	L	E	A	D
S	E	N	T		O	S	O		B	E	A	L	L	S
			I	M	P		P	A	R	T	I	I		
O	S	C	E	O	L	A		N	E	E		H	A	M
W	H	E	R	E	I	S	E	V	E	R	Y	O	N	E
L	I	D	O		F	E	L	I	Z		O	O	Z	E
S	P	E	D		T	A	L	L	Y		N	O	A	K

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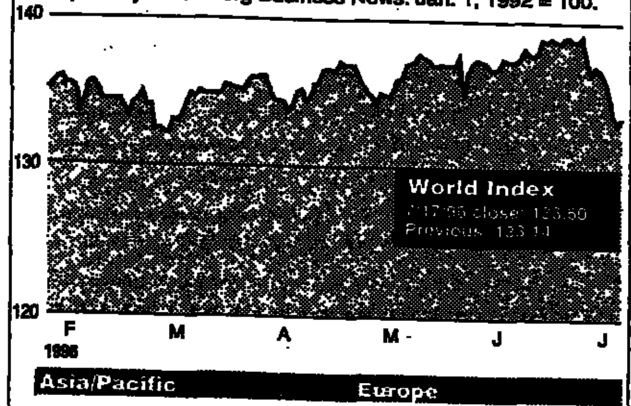
Herald INTERNATIONAL Tribune

BUSINESS / FINANCE

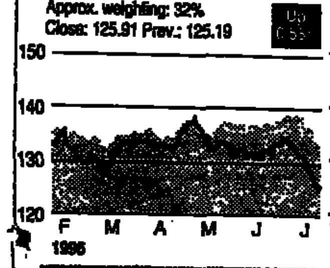
THE TRIB INDEX 133.60 Up 0.35%

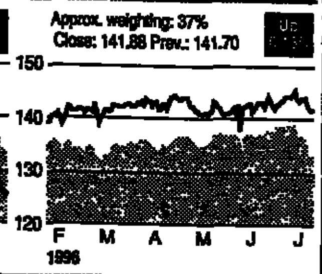
International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



Asia/Pacific
Approx. weighting: 32%
Close: 125.91 Prev.: 125.19

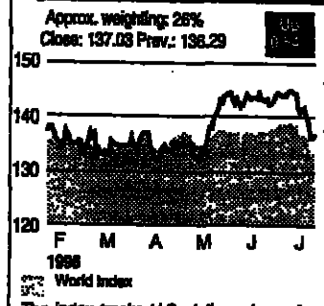
Europe
Approx. weighting: 37%
Close: 141.88 Prev.: 141.70

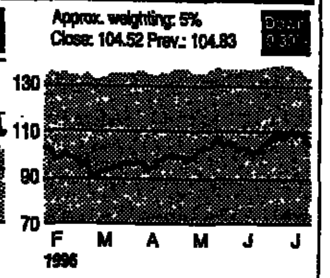




North America
Approx. weighting: 26%
Close: 137.03 Prev.: 136.29

Latin America
Approx. weighting: 5%
Close: 104.52 Prev.: 104.83





World Index

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors

	Wed. close	Prev. close	% change		Wed. close	Prev. close	% change
Energy	143.53	144.41	-0.61	Capital Goods	140.19	138.72	+1.06
Utilities	127.92	127.30	+0.49	Raw Materials	156.06	155.99	+0.04
Finance	115.74	115.02	+0.63	Consumer Goods	143.77	143.44	+0.23
Services	124.04	123.61	+0.35	Miscellaneous	131.48	131.75	-0.22

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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History as Market Crystal Ball

Comparing Today's Picture With 1987's Collapse

By Leslie Eaton
New York Times Service

NEW YORK — If investors were holding their breath early this week, it was with good reason.

Tuesday marked the 55th day after the Dow Jones industrial average reached its peak of 5,778.00 on May 22. As the historically minded — or superstitious — might recall, in 1929 the stock market peaked and then, 55 days later, crashed. In 1987, the stock market peaked and then, 55 days later, collapsed.

New York stocks rise. Page 12.

After Monday's 160-point plunge in the Dow, a decline that the index matched early Tuesday, investors could be forgiven for thinking that history might just be repeating itself. In the end, though, the Dow gained 9.25 points, to 5,358.76.

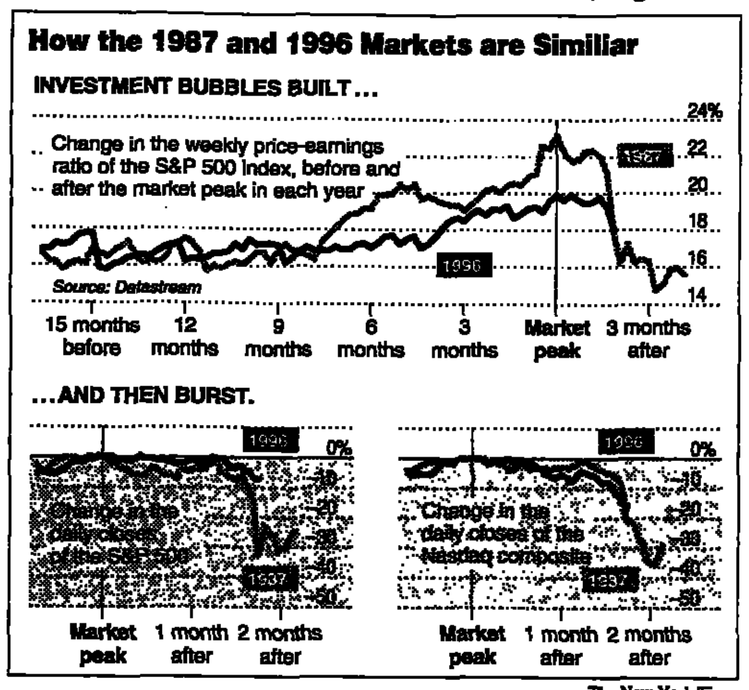
Faced with wild days like Tuesday, investors naturally look to the past for clues about what is happening. In particular, the last big debacle in the stock market — the collapse of 1987 — looms large.

Many parallels exist between the summer of 1987 and this one, according to some analysts. But there are also significant differences.

The similarities include:

- Skyrocketing stock prices, coming atop several strong years. By the time of the collapse of 1987, the market had gone more than three years without falling by 10 percent — a record at the time. This time around, stocks have climbed for more than five years.
- Sky-high valuations, especially when companies' stock prices are compared with their earnings. At the

See CRASH, Page 15



The New York Times

Circuit Breakers Saved the Day

By Floyd Norris
New York Times Service

NEW YORK — The circuit broke, and the market was saved.

Tuesday, when emotions ran wild, the effective closing of the stock-index futures market in Chicago for the second time within minutes seems to have given traders time to think.

Futures contracts provide a way to bet on the movement of stock indexes, such as the Standard & Poor's 500. It was while futures were closed that stocks on Wall Street began rising, first slowly and then with exuberance.

The result was that after prices had gone into free fall for an hour, they turned around in the middle of the day and soared. It was the stock market's wildest single day since 1987, and it bolstered the reputation of so-called circuit breakers, which were introduced after the 1987 stock market collapse.

"When you are at a limit, it does calm things down," said Robert Ray, who supervises stock-index futures trading for Dean Witter Reynolds at the Chicago Mercantile Exchange. "People came in and looked for the value."

The stomach-turning period began at 12:14 P.M., when the Dow Jones industrial average of was down about 33 points, a mild drop compared with the 161-point fall of the previous day. Then, in the 62 minutes that climaxed at 1:16, the Dow fell to a loss 166.73 points.

During that period, some money managers found it was hard to find buyers for large blocks of shares, particularly in the technology industry.

So it appears, traders said, that some of those money managers began selling contracts on stock-index futures instead to try to protect themselves from further losses. That selling helped to drive down prices of all stocks, since the two markets — stocks and stock-index futures — tend to move together.

In Chicago, the most-watched trading is in the S&P 500 futures pit.

See CIRCUIT, Page 15

Murdoch Becomes Largest Owner Of U.S. TV Outlets

Compiled by Our Staff From Dispatches

LOS ANGELES — Television station owner New World Communications Group agreed Wednesday to be acquired by Rupert Murdoch's News Corp. in a stock-swap deal worth $2.48 billion.

The deal would make News Corp. the biggest owner of television stations in the United States.

The combination also brings together two aggressive acquirers of entertainment companies: Mr. Murdoch and New World's Ronald O. Perelman.

News Corp.'s acquisition of New World's 10 Fox affiliates gives Mr. Murdoch a larger base and more control to launch and promote new shows. Its Fox subsidiary would have 22 stations, including nine in the top 10 markets, reaching 40 percent of the country's 95.9 million TV homes.

New World also produces and distributes first-run and syndicated television programs through its New World Entertainment, Moving Target and Cannell Entertainment operations; it also has a stake in the animation company Klasky Csupo Inc.

William C. Bevins, chief executive of New World, called the offer "an extremely attractive opportunity for our shareholders to realize the value, which has been steadily accruing in New World."

New World shareholders would get 1.45 shares of News Corp. preferred stock valued at $27 for each New World share.

The deal is subject to approval by stockholders of New World and by the Federal Communications Commission. It is expected to close early in 1997.

The transaction could jeopardize a reported move by New World to buy King World Productions, a television program producer and distributor.

New World, which is controlled by Mr. Perelman, had reportedly been on the verge this week of announcing its purchase of King World, in a deal valued at about $1.5 billion.

News Corp. reportedly looked

Financial services swept Ford Motor and General Electric to big profits. Page 12.

to purchase New World earlier this year, but the talks collapsed because the companies could not agree on a price. Mr. Perelman thought his company was worth $29 a share but Mr. Murdoch only wanted to pay about $24 a share.

The talks ended in April and Mr. Perelman then reportedly began to discuss a merger with King World, which had been on the market for almost a year. King World, production syndicator, distributes the shows "Jeopardy!", "Wheel of Fortune" and "The Oprah Winfrey Show."

News Corp. already owned 20 percent of New World when the latest merger talks began. It acquired that stake two years ago for $500 million in exchange for New World switching 10 of its 12 television stations to a Fox affiliation from other networks.

That move set off a round of affiliation switches among TV stations and left CBS racing to buy new affiliates in major markets.

New World shares rose $6.1875, to $21.375, in New York; News Corp. American depositary receipts shares fell $1.375, to $20.625. Shares of King World were up 62.5 cents, at $37.

The collapse of the talks with New Worldwould mark the second time King World has been jilted. Turner Broadcasting System Inc. in August canceled its plans to make a bid for King World for $1.7 billion in stock.

(AP, Bloomberg, Reuters)

INTERNATIONAL MANAGER

Get in Gear, Mitsubishi Critics Say

By Kirstin Downey Grimsley
Washington Post Service

CHICAGO — Mitsubishi Motor Manufacturing of America Inc., facing calls for a consumer boycott and federal allegations that it tolerated pervasive sexual harassment at its factories, has hired some prominent consulting firms and taken other steps to try to correct its problems and help remake its workplace environment.

But three months after the sexual-harassment accusations were disclosed in a lawsuit, the company's critics say its management is not dealing boldly enough with the problem, and federal officials say the steps it is taking will not derail their lawsuit.

The automaker has denied that a pattern of sexual harassment exists at its plant in Normal, Illinois, but a former U.S. labor secretary, Lynn Martin, whom the company hired two months ago to review its personnel policies, said this week that she had recommended changes.

Mitsubishi said it would begin a comprehensive training program on sexual harassment for all of its 4,000 employees at the plant, beginning with managers. Senior executives will participate annually in a two-day workshop entitled "Men and Women as Colleagues," the company said.

Under Ms. Martin's direction, the automaker also hired numerous consultants, including Hubbard & Revo-Cohen Inc. of Reston, Virginia, to handle the sexual harassment training; Peter D. Hart Research Associates of Washington to survey its employees confidentially on their workplace experiences, and the New York-based Catalyst Group to help Mitsubishi transplant effective workplace practices used by other companies.

Ms. Martin acknowledged that some of the company's actions had come in response to issues raised in protests organized by the National Organization for Women and the Rev. Jesse Jackson's National Rainbow Coalition after the federal suit was filed this spring.

As one example, Mitsubishi Motor Sales of America, a sister company to the automaker, said Tuesday that it would seek to increase its number of car dealerships owned by women and minority-group members.

[Mr. Jackson, angry at what he called an "unproductive" meeting in Japan with executives of Mitsubishi Motors Corp., said Wednesday he would step up protests against the company and said Honda Motor Co. would be the next target in his campaign against discrimination in the auto industry, Reuters reported from Tokyo.]

In April, the U.S. Equal Employment Opportunity Commission filed a class-action sexual-harassment lawsuit against the company, alleging that several hundred women had been victimized. In separate, private lawsuits, 28 women said they had experienced severe sexual harassment, and several black employees of Mitsubishi alleged that they had experienced racial discrimination at the plant.

Patricia Benassi, an attorney representing the 28 women in their lawsuit, called the actions Mitsubishi announced Tuesday "window dressing" that "can only be regarded with suspicion." She said the company had done nothing to compensate women who had experienced severe sexual harassment.

Tsuneo Ohinouye, the company's chairman, said Tuesday that he hoped to resolve the suit soon. But a spokeswoman for the federal commission, Cynthia Pierre, said that despite such statements, the company had made "no overtures to a settlement."

The chairman of the commission, Gilbert F. Casellas, applauded Mitsubishi's efforts to improve its workplace through training but said such actions "in no way affect" the lawsuit.

"Very serious allegations have yet to be addressed or even acknowledged by the company," Mr. Casellas said.

Mitsubishi has opened discussions with the United Auto Workers union to revise its contract to include setting up a joint labor-management board that would be required to take action within 48 hours of receiving a sexual-harassment complaint to separate the accused harasser and the alleged victim while the complaint was being investigated.

The union's contracts with the Big Three U.S. automakers include this clause, but its use had been rejected by Mitsubishi, union officials said.

NASD Firms Agree to Let U.S. Listen

Bloomberg Business News

WASHINGTON — Two dozen securities firms will randomly record trading conversations as part of a antitrust settlement with the Justice Department on charges they fixed prices on the Nasdaq Stock Market, Attorney General Janet Reno announced Wednesday.

The agreement ends a two-year federal investigation without the firms' being fined. Without admitting or denying wrongdoing, the firms pledged to not violate federal antitrust laws in the future.

"The settlement will restore true competition," Ms. Reno said. She said Justice Department officials would also have the right to show up at brokerage firms unannounced to monitor compliance of the settlement.

"The practice being ended today raised the transaction cost for investors buying and selling stock on Nasdaq" because the spread between the bid and ask prices rarely was lower than 25 cents a share, said Anne Bingaman, antitrust chief at the Justice Department.

The Justice Department also filed a civil lawsuit in federal court in New York alleging antitrust violations by the 24 firms, including Wall Street giants Merrill Lynch & Co., PaineWebber Group Inc., Goldman, Sachs & Co. and Charles Schwab Corp.

The settlement, which was entered at the same time, exposes the firms to tougher legal sanctions if they commit antitrust violations in the future. No fines or criminal penalties were imposed.

The Justice Department also filed a report that details cases of alleged brokerage efforts to collude on trading spreads and intimidate rivals into joining them.

Individual brokers who were cited in the report might be subject to disciplinary action by securities regulators, securities industry officials said.

The firms denied any collusion and said they agreed to the settlement to end the cost of defending themselves in the negotiations with the government.

The limited nature of the settlement prompted many securities analysts to conclude the inquiry turned up little conclusive evidence of wrongdoing.

"The charges reflect the troubling obsession of government these days to show some product for its effort, putting business in the difficult position of finding it cheaper to settle than wage warfare," said Harvey Pitt, a former SEC general counsel who now represents brokerage firms.

The taping of over-the-counter trading conversations, by far the most disputed part of the settlement, will take place on 3.5 percent of the total trader conversation hours, or a maximum of 70 hours a week.

Firms will be required to name an antitrust compliance officer within 90 days of the agreement, who will report quarterly on the firm's compliance with antitrust law. The Justice Department also will be allowed to request copies of the tapes.

The introduction of the taping systems is expected to cost the securities industry more than $50 million the first year. But some brokerage executives expressed doubt that the cost would climb anywhere near that high.

About a half-dozen of the 24 firms affected by the settlement already have taping systems, which cost them several hundred thousand dollars to install, they said.

The investigation was spurred by a 1994 academic study and complaints from small firms of possible collusion on spreads, or the difference between the buy and sell price of a stock that determines a broker's profit on a transaction.

Alitalia Likely To Post Loss Of $784 Million

Compiled by Our Staff From Dispatches

ROME — Alitalia Airlines will probably post a loss of 1.2 trillion lire ($784.4 million) this year, the chairman of its holding company said Wednesday.

Michele Tedeschi, chairman of Istituto per la Ricostruzione Industriale, told the Senate's public works committee that the loss would include 800 billion lire of restructuring charges. It would be Alitalia's ninth straight unprofitable year. The airline posted a loss of 85.9 billion lire in 1995 and 280 billion lire in the first quarter of 1996.

Mr. Tedeschi said that IRI, which controls 90 percent of Alitalia, had agreed to a request from the airline's board to advance 1 trillion lire immediately as part of its contribution to a planned 3.13 trillion lire capital increase to rescue the ailing airline. IRI is due to inject 1.5 trillion lire of fresh funds, with the rest coming from the private sector.

As part of its reorganization, the airline will cut 2,800 jobs and make a number of other austerity measures aimed at breaking even in 1997. In return for their support of the plan, Alitalia employees are eventually to take a 30 percent stake in the carrier and hold three of the 15 seats on the company's board. Previous cost-cutting plans were derailed by strikes and work slowdowns. *(AP, Reuters, AFP)*

Intel and Microsoft Team Up On Internet Communication

Bloomberg Business News

SANTA CLARA, California — Intel Corp. and Microsoft Corp. said Wednesday they had agreed to cross-license their technology for communicating on the Internet.

Some analysts said the deal could evolve into a competitive force challenging existing telephone carriers, as well as software companies that specialize in technology that allows phone conversations via the Internet.

Internet-based telephone and videoconferencing systems are currently slow and patchy.

The two companies said they would strive to develop technology that will allow users to find other people to talk with on the Internet through what is know as the User Location Service.

Intel is to provide Microsoft with the standards behind its ProShare videoconferencing technology, while Microsoft will provide Intel with its NetMeeting and ActiveX software to enhance communications on the Internet.

Pat Hurley, an analyst with TeleChoice, a market-research firm, said long-distance carriers such as AT&T Corp. and MCI Communications Corp. might benefit from products developed by Intel and Microsoft. The only way to guarantee high-speed voice and data communications would be to divert data from the Internet to "industrial strength" networks run by the carriers, he said.

"It's going to tie up a lot of bandwidth, and I can't imagine people will be offering it for free," Mr. Hurley said. Bandwidth refers to the capacity of lines that carry sound, video or data.

Intel and Microsoft said the agreement would allow them to quickly develop products that allow voice, data and video communications over the Internet.

■ Netscape Teams With NeXT

Netscape Communications Corp. and NeXT Software Inc. have agreed to market each other's products, Bloomberg reported from Mountain View, California.

The companies will work together to encourage companies adopt their Internet products, used to set up World Wide Web sites and so-called intranets, corporate networks based on inexpensive Internet software.

Netscape makes software used to navigate and publish on the Internet, as well as products that relay information between computers. NeXT's software, called WebObjects, allow companies to set up sites where customers can access databases and search them for information.

CURRENCY & INTEREST RATES

Cross Rates

July 17

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.67	2.5855	1.1225	0.3334	0.1096*	—	5.449*	1.3744	1.5364*	1.2175	1.3265*
Brussels	36.34	47.575	20.5985	6.083	2.0233*	18.3475	—	25.165	0.2822	22.25	24.455*
Frankfurt	1.4712	2.3154	—	0.2953	0.9792*	0.8907	4.8544*	1.2192	1.3607*	1.0892	1.1792*
London (a)	1.5435	—	2.2926	7.7896	2,352.17	2.5740	47.2255	1.873	167.655	2.1185	194.065
Madrid	125.771	195.322	84.809	24.962	8.255*	75.362	4.1071	103.686	115.287*	91.837	—
Milan	1,559.50	2,367.30	1,022.70	302.00	—	908.90	49.53	1,246.70	13.91	1,118.25	12.868
New York (b)	—	1.546a	1.486	5.2095	1,522.00	1.6474	30.61	1.2115	108.45	1.3727	125.81
Paris	5.0385	7.825	3.3895	—	0.3307*	3.0191	0.1645	4.1538	4.6153*	3.6807	3.999*
Tokyo	109.35	170.33	73.74	21.80	0.722	65.69	3.5806	89.87	—	79.91	0.8734
Toronto	1.3734	2.1259	0.9242	0.2727	0.0902*	0.8231	0.4487*	1.1327	1.2627*	—	1.092*
Zurich	1.214	1.8788	0.8171	0.2407	0.0797*	0.7281	3.9618*	—	1.1148*	0.8841	0.9657*
1 ECU	1.2715	0.8176	1.9098	6.4746	1,943.13	2.1446	39.3409	1.5688	139.422	1.7448	161.153
1 SDR	1.4586	0.9318	2.1782	7.3863	2,216.73	2.4465	45.1015	1.7886	159.852	1.9993	183.844

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers: Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	236.07	Mex. peso	7.659	S. Afr. rand	4.397
Australian $	1.269	Hong Kong $	7.7365	N. Zealand $	1.4524	S. Kor. won	813.30
Austrian sch.	10.465	Hung. forint	153.44	Norw. krone	6.41	Swed. krona	6.6624
Brazil real	1.0047	Indian rupee	35.80	Phil. peso	26.15	Taiwan $	27.56
Chinese yuan	8.3451	Indo. rupiah	2327.75	Polish zloty	2.70	Thai baht	25.37
Czech koruna	27.71	Irish £	0.6249	Port. escudo	153.20	Turkish lira	82935.0
Danish krone	5.7335	Israeli shek.	3.1845	Russ ruble	5134.00	UAE dirham	3.671
Egypt. pound	3.395	Kuw dinar	0.299	Saudi riyal	3.7504	Venez. boliv.	472.00
Fin. markka	4.5266	Malay. ring.	2.4866	Sing. $	1.4192		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5509	1.5508	1.5510	Japanese yen	108.75	108.29	107.82
Canadian dollar	1.3674	1.3664	1.3654	Swiss franc	1.2121	1.2090	1.2059
Deutsche mark	1.4849	1.4820	1.4788				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Libid-Libor Rates

July 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 7/16	3 5/16 - 3 7/16	2 3/16 - 2 5/16	5 5/8 - 5 3/4	3 11/16 - 3 13/16	7/16 - 9/16	4 3/8 - 4 1/2
3-month	5 9/16 - 5 5/8	3 5/16 - 3 7/16	2 1/16 - 2 3/16	5 11/16 - 5 13/16	3 13/16 - 3 15/16	9/16 - 3/4	4 3/8 - 4 1/2
6-month	5 13/16 - 5 7/8	3 3/8 - 3 1/2	2 1/8 - 2 1/4	5 7/8 - 5 3/4	3 13/16 - 3 15/16	11/16 - 13/16	4 5/16 - 4 7/16
1-year	6 - 6 1/16	3 5/8 - 3 3/4	2 1/4 - 2 3/8	6 1/16 - 6 1/8	4 1/8 - 4 3/16	1 1/8 - 1 1/4	4 9/16 - 4 11/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 3/8	5.00
3-month CDs	5.16	5.15
CP 180 days direct	6.11	6.11
3 month Treasury bill	5.12	5.12
1-year Treasury bill	5.46	5.44
2-year Treasury bill	6.20	6.20
5-year Treasury note	6.60	6.61
7-year Treasury note	6.70	6.70
10-year Treasury note	6.84	6.84
30-year Treasury bond	7.02	7.03
Merrill Lynch 30-day RA	4.82	4.82
Japan		
Discount rate	0.50	0.50
Call money	0.49	0.34
1-month interbank	0.56	0.56
3-month interbank	0.75	0.78
6-month interbank	0.90	0.91
10-year Govt bond	3.30	3.38
Germany		
Lombard rate	4.50	4.50
Call money	3.40	3.40
1-month interbank	3.40	3.40
3-month interbank	3.40	3.42
6-month interbank	3.43	3.47
	6.45	6.50

Britain		
Bank base rate	5 3/4	5 3/4
Call money	5 3/4	6.00
1-month interbank	5 3/4	5 3/4
3-month interbank	5 3/4	5 3/4
6-month interbank	5 3/4	5 3/4
10-year Gilt	7.93	7.98
France		
Intervention rate	3.55	3.55
Call money	3 5/8	3 5/8
1-month interbank	3 1/2	3 9/16
3-month interbank	3 3/4	3 5/8
6-month interbank	3 13/16	3 15/16
10-year OAT	6.52	6.49

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Crédit Lyonnais.

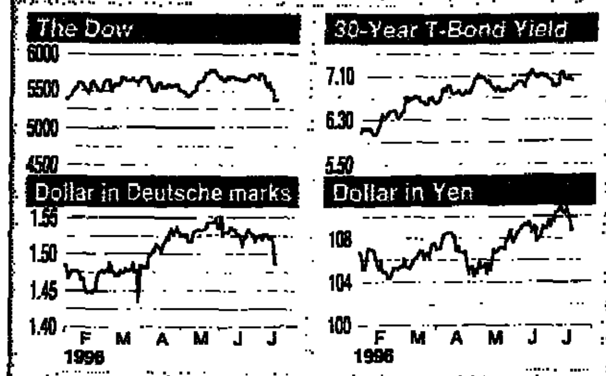
Gold

	A.M.	P.M.	Ch'ge
Zurich	384.00	383.50	— 1.50
London	383.65	383.40	— 0.85
New York	384.00	384.20	Unch.

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Wednesday Close	Prev. Close	% Change
NYSE	The Dow	5376.88	5358.76	+0.34
NYSE	S&P 500	634.07	628.37	+0.91
NYSE	S&P 100	612.36	605.70	+1.10
NYSE	Composite	340.10	336.79	+0.98
U.S.	Nasdaq Composite	1085.83	1051.59	+3.18
AMEX	Market Value	540.00	525.60	+2.74
Toronto	TSE Index	4940.06	4920.59	+0.39
São Paulo	Bovespa	62393.00	62208.20	+0.30
Mexico City	Bolsa	2990.27	2944.39	+1.56
Buenos Aires	Merval	552.27	536.64	+2.91
Santiago	IPSA General	5584.98	5598.36	-0.24
Caracas	Capital General	4284.00	4261.77	+0.52

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Spanish Bid for Brazil Phone Stake

MADRID (Combined Dispatches) — Telefónica Internacional SA said Wednesday it had formed a consortium to bid for a 35 percent stake in the Brazilian company Riograndense de Telecomincaçoes-CRT.

The company, a unit of Telefónica de España SA, said it would bid for the stake being sold by the state government of Rio Grande do Sul. It will bid jointly with Rede Brasil Sur, one of Brazil's leading multimedia companies, and Compania de Telecomunicaciones de Chile, which is itself 43 percent controlled by Telefónica Internacional. A final decision on the sale of the stake is expected by year-end. *(Bloomberg, AFX)*

• **AMR Corp.**, the parent company of American Airlines, said earnings rose 53 percent in the second quarter, to $293 million, because of an increase in passenger traffic.

• **Republic New York Corp.**'s second-quarter earnings surged to $103.1 million, or $1.71 a share, from $11.1 million, or 2 cents a share, a year earlier as higher revenue from loans and other investments offset lower fees. Operating expenses dropped to $195.9 million from $297.7 million, mainly because of a restructuring last year.

• **Northrop Grumman Corp.**'s second-quarter earnings rose 74 percent, to $78.5 million, reflecting the acquisition in March of Westinghouse Electric Corp.'s defense electronics businesses.

• **Tribune Co.** took a 20 percent stake, valued at $20 million, in **America Online Inc.**'s Digital City Inc. unit, which provides regional news on the on-line service and the Internet.

• **Computer Associates International Inc.** posted better-than-expected earnings for its first quarter of $119.8 million, or 32 cents a share, on strong sales of its software.

• **Black & Decker Corp.**'s second-quarter earnings rose 61 percent, to $45.3 million, on higher U.S. sales of power tools and other products; the results slightly exceeded analysts' estimates. *Bloomberg, Reuters*

Ford Steadies Wall Street

By Keith Bradsher
New York Times Service

DEARBORN, Michigan — Ford Motor Co. on Wednesday released stronger second-quarter earnings than analysts had expected, including record profits from financial services and an improvement from its North American carmaking operations.

The results produced a rally in auto company stocks and helped steady the stock market.

Ford earned $1.90 billion in the second quarter on sales of $37.94 billion. During the second quarter of last year, Ford earned $1.57 billion on sales of $36.39 billion.

This year's results were inflated slightly by a one-time net gain of $213 million. But Wall Street analysts said the company's overall results showed that it was beginning to bounce back after nearly a year of heavy spending on the introduction of new models like the Taurus sedan and F-150 pickup truck.

Ford cut back on its sales of heavily discounted vehicles to rental fleets during the second quarter, while gaining from strong demand for the highly profitably F-150 and the Explorer.

David N. McCammon, Ford's vice president for finance, predicted that strong auto sales and profits would continue through the rest of the year even if the stock market tumbles and the Federal Reserve Board raises short-term interest rates as much as half a percentage point. The stock market plunge in 1987 had little effect on car sales in that year or in 1988 or 1989, he noted.

Ford's stock soared $1.875, to close at $32.325, in heavy trading on the New York Stock Exchange. Shares of the General Motors Corp. and Chrysler Corp. also rose.

Ford's one-time gain of $213 million was the net from two previously announced moves. Ford posted a $650 million gain after taxes from the initial public offering of 19.3 percent of the common stock in Associates First Capital Corp., a commercial finance and leasing company. Ford also took a $437 million charge to write down its investment in Budget Rent-a-Car Corp., and now plans to take control of the rental car company if federal anti-trust regulators do not object to the fact that Ford also owns Hertz, the largest rental car company.

But the results also contained a few signs of lingering trouble. Ford spent an average of $945 in cash rebates, lease subsidies and other incentives for each vehicle sold to retail buyers in the second quarter, up from $760 a year ago. Ford has found it necessary to give a lot of money back to buyers of its Taurus sedan and Windstar minivan.

Net income from automotive operations in the United States was $697 million, up from $663 million a year ago. But the company's net income from international operations dipped to $411 million from $427 million a year earlier, as brisk competition in Europe and Brazil eroded profit margins.

Excluding the one-time gain from the sale of the stake in Associates, Ford earned $582 million in the second quarter from financial services, up from $472 million a year earlier.

Mr. McCammon was mildly critical of President Bill Clinton's strong dollar policy, echoing concerns expressed by Chrsyler executives last week. The recent strength of the dollar has eroded Ford's profits in Japan while making Japanese automakers more competitive in the United States, he said.

"They're certainly making it difficult for those of us who want to export," Mr. McCammon said.

■ Financial Unit Lifts GE

Strong earnings from financial services swept General Electric Co. to higher second-quarter profit, The Associated Press reported from New York.

General Electric's net income rose to $1.91 billion from $1.73 billion, while revenue rose 7 percent, to a record $19.07 billion. GE said eight of its 12 businesses had increased earnings, led by a 19 percent increase at GE Capital, which runs one of the world's biggest commercial jet leasing operations.

Apple Result Surpasses Expectations

Knight-Ridder

NEW YORK — Apple Computer Inc. posted on Wednesday a third-quarter loss that was smaller than analysts expected.

The company had a loss of $39 million, or 26 cents per share, compared with a profit of $103 million, or 84 cents per share, in the quarter a year ago.

Apple recorded a one-time after-tax gain of $39 million on the sale of its investment in America Online Inc.

Analysts surveyed by First Call Corp. were expecting, on average, a net loss of $1.07 per share. That figure does not include the extraordinary gain, which was worth about 3.2 cents per share, based on the company's 123.7 million outstanding common shares.

Revenue for the quarter dropped 15 percent from a year ago, to $2.18 billion, but was about even with second-quarter sales.

The company reduced staff by 1,815, to 13,729.

Positive Profit Reports Help Stocks Recover

By Lawrence Malkin
International Herald Tribune

NEW YORK — Positive earnings reports from major companies helped stocks bounce up on Wednesday, but bulls and bears still disagreed on whether the market had hit bottom.

A record-setting quarterly earnings report released by Intel after the market closed Tuesday reassured the recently weak technology sector, helping the Nasdaq index rise 3 percent.

This was followed by better-than-expected profit reports from Computer Associates, as well as Ford and General Electric, two companies whose stocks form part of the core holdings of many portfolios.

Those reports helped solidify the day's gains. The Dow Jones industrial average closed 18.12 points higher, at 5,376.88. Advancing issues outnumbered declining ones on the New York Stock exchange by an 8-to-3 margin.

Hewlett Packard, one of the most active issues on the NYSE, rose 1¾ to 43⅝, buoyed by Intel's results.

Electronic Data Systems rose 3⅜ to 50 after it reduced the size of a stock issue to 20 million shares from 30 million shares.

The Nasdaq composite index, after having lost 12 percent over the previous 10 trading days, closed 33.16 points higher, at 1,086.65.

Intel was the most active Nasdaq issue, rising 1⅝ to 71⅝.

U.S. Robotics, the maker of computer modems that was one of the hardest-hit stocks in the recent Nasdaq slide, jumped 8¾ to 73½.

Sun soared 5 to 55 after it released a test version of software for corporate networks written in the Java programming language.

The price of the benchmark 30-year bond was unchanged, yielding 7.03 percent.

The markets face their next hurdle Thursday when Alan Greenspan, chairman of the Federal Reserve Board, reports to Congress on the central bank's monetary goals for the second half of the year.

On Wall Street, analysts have begun shifting their focus to individual companies and industries instead of following the interest-rate bandwagon that helped the Dow to a 1996 gain of 13 percent at its peak of 5,778 on May 22. Brutal losses in July have left the blue-chip index with a gain of just 5 percent for the year.

U.S. STOCKS

"Stocks are finally trading on the basis of earnings," said Abby Joseph Cohen, co-chairman of the investment-policy committee at Goldman, Sachs & Co. "Most of the damage from interest rates for this year has already occurred."

Ms. Cohen said it was time to go back into technology and financial stocks.

But Michael Metz of Oppenheimer & Co. said the market had only hit a "tradeable low." He recommended the cautious strategy of buying stocks in basic industries such as chemicals and timber, and warned that low earnings, rising interest rates, and increased wages would squeeze corporate earnings.

Laszlo Biryini, whose firm tracks market statistics, said there was no evidence that the recent downdraft would turn into a real bear market. "We've been through this over and over, and it always happens as the result of a definable event," he said. "This time it is lower earnings. In the past it has been something like an antitakeover law in Congress or a sharp turn in interest rates."

Rate Outlook Lifts Dollar Against European Currencies

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against the yen Wednesday but rose against the British pound and Deutsche mark as investors begin to bet on lower rates in Europe and higher rates in the United States.

The dollar benefited from speculation that the Bundesbank might cut a key money-market rate at its council meeting on July 25, the last before a four-week summer recess.

The dollar's recent drop "represents a constraint on Germany's economy," said Richard Koss, currency strategist at MFR Inc., a money management and consulting firm. "It's a big deflationary impulse for an economy that's already struggling. So the odds of a Bundesbank easing have jumped."

FOREIGN EXCHANGE

Mr. Koss estimated there was a 75 percent chance the Bundesbank would decide to trim the securities repurchase rate from 3.30 percent, where it has been frozen since February.

The pound suffered against the dollar and the mark because of concern that Britain will have to cut interest rates to ensure that economic growth remained buoyant, said Stuart Thomson, a currency analyst at Nikko Europe in London.

Many traders expect U.S. rates to rise. Alan Greenspan, chairman of the Federal Reserve Board, is expected to offer clues on interest rate direction Thursday, when he makes his semi-annual Humphrey-Hawkins testimony to Congress.

But recent stock-market volatility could stall the Fed's hand on rates for the near term, for fear of causing further turmoil on Wall Street.

The dollar closed at 108.65 yen, down from 109.45 yen Tuesday, but at 1.4860 Deutsche marks, up from 1.4855 DM. It rose to 5.0295 French francs from 5.0285 francs, but fell to 1.2115 Swiss francs from 1.2178. The pound fell to $1.5460 from $1.5585.

Investors are still nervous about buying dollars because the recent swings in the stock market, including the 161-point drop in the Dow Jones industrial average on Monday, spurred concern that investors would take their money elsewhere, selling the dollar for other currencies. *(Bloomberg, AFX)*

AMEX

Thursday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5429.41	5430.15	5357.28	5376.88	+18.12
Trans	2005.97	2025.51	1980.57	2018.52	+37.95
Util	214.85	214.99	212.55	213.11	-0.42
Comp	1751.48	1750.70	1730.06	1742.78	+12.44

Standard & Poors

	High	Low	Close	Chg.
Industrials	753.76	743.71	751.12	+7.41
Transp.	484.96	475.69	483.00	+7.31
Utilities	192.60	190.16	190.56	-0.94
Finance	64.59	63.78	64.26	+0.48
SP 500	636.61	628.37	634.07	+5.70
SP 100	616.31	605.70	612.36	+6.66

NYSE

	High	Low	Last	Chg.
Composite	341.01	336.79	340.10	+3.30
Industrials	432.23	425.79	430.81	+3.02
Transp.	311.78	305.80	310.96	+5.18
Utility	246.27	243.08	243.97	-0.76
Finance	284.48	281.23	283.91	+2.67

Nasdaq

	High	Low	Last	Chg.
Composite	1085.75	1073.89	1085.03	+31.56
Industrials	1001.45	988.91	1001.45	+33.04
Banks	1046.55	1041.77	1046.52	+7.26
Insurance	1225.15	1216.47	1224.10	+14.19
Finance	1263.78	1256.56	1262.91	+14.12
Transp.	832.18	825.44	832.18	+11.22

AMEX

High	Low	Last	Chg.
540.26	525.60	540.00	+14.40

Dow Jones Bond

	Close	Chg.
20 Bonds	101.14	+0.12
10 Utilities	97.66	+0.15
10 Industrials	104.61	+0.08

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
GlaxoWel	105111	27¼	26⅝	26⅞	-⅛
HewlPk s	80474	44⅛	41⅜	43⅝	+1¾
EDS	73405	50⅛	46¾	50	+3⅜
MicrnT	64837	20	17⅝	18	-1
OfcDpt	63720	14½	13⅝	14⅛	
AT&T	53283	56⅛	55⅝	56⅛	+⅜
Motorola	48633	55⅝	52⅝	54⅝	+2⅛
Chrysler s	44848	29⅝	28⅛	29⅛	+1⅛
FordM	42398	32½	31⅛	32⅜	+1⅞
CmpAsc s	40627	46⅝	44⅝	46½	+6
Compaq	37871	46⅛	45⅛	45⅞	+⅜
IBM	37853	97⅞	94	96⅜	-1⅛
NewsCorp	37249	21⅛	20½	20⅞	-1⅛
Hanson	37213	12⅛	12⅛	12⅛	-⅛
PepsiCo s	34282	37⅛	36⅜	37⅛	-⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	249838	74¼	70⅝	71¾	+1⅝
Cisco s	119359	54¼	52	53¾	+1⅝
SunMic s	98204	55⅝	51⅜	55	+5
MCI	80066	25⅝	23⅝	24⅛	-⅛
Microsoft	78805	118⅛	115⅝	117⅛	+1⅛
Iomega s	77764	26½	24⅛	25⅝	+2⅛
Oracle s	72432	37⅝	36	37⅝	+1⅛
TelCmA s	71176	15½	14⅝	15	+⅛
NewWrld	67126	23⅝	20⅛	21⅜	+6⅛
US Robt s	64095	73½	66	73½	+8⅛
Intel wt	63387	38⅛	34	34⅝	+1⅛
Ascend s	61521	57¼	49⅝	50⅝	+2⅛
3Com s	50637	40⅛	38⅛	40⅛	+2⅛
EricTel	46307	19⅛	19⅛	19½	+⅛
Atmel s	44897	27⅛	25⅛	27⅛	+2⅛

AMEX

	Vol.	High	Low	Last	Chg.
ViacB	23493	34⅛	32⅝	34	+2
TWA n	21151	12⅛	10⅝	11¼	-1⅛
CheySoft	16079	18⅛	15⅞	18	+2⅛
Amdhl	14202	9⅛	8⅞	9	+⅛
SPDR	13256	64	63	63²⁹⁄₃₂	+⅝
IvaxCp	10670	14⅛	13⅝	14⅛	+⅜
Ampex n	9992	7½	7	7⅛	+⅛
XCL Ltd	9338	⅛	⅛	⅛	
BemaGold	8498	3⅝	3⅛	3⅝	-⅛
Biovail s	7281	28	26	28	+3⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1780	731
Declined	739	1884
Unchanged	666	618
Total issues	3185	3233
New Highs	10	14
New Lows	43	255

Nasdaq

	Close	Prev.
Advanced	2913	1254
Declined	1113	2830
Unchanged	1562	1502
Total issues	5588	5586
New Highs	35	21
New Lows	105	593

AMEX

	Close	Prev.
Advanced	420	163
Declined	177	445
Unchanged	152	175
Total issues	749	783
New Highs	7	4
New Lows	16	56

Market Sales

	Today Close	Prev. cons.
NYSE	509.47	808.04
Amex	27.03	51.93
Nasdaq	666.12	877.33

in millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
BHI Corp	-	.18	8-9	9-3
Fst Eagle FdAmer	-	2.00	7-17	7-17
New Iberia Bncp	-	.075	7-19	7-31
STOCK SPLIT				
Mid-South Bncp 4 for 3 split.				
REVERSE STOCK SPLIT				
Bev-Tyme Inc 1 for 10reverse split.				
Electrosource Inc 1 for 10reverse split.				
Stacey's Buffet 1 for 5reverse split.				
Surgical Techs 1 for 2reverse split.				
INCREASED				
CCB Fncl	Q	.42	9-16	10-1
Carrollton Bcp	Q	.11	8-16	9-2
Clorox Co	Q	.53	7-26	8-15
Dime Fncl	Q	.08	8-6	8-23
Lexington Precs	Q	.28	7-30	8-14
Milton FedlFcl	Q	.13	8-1	8-15
Northwest Equity	Q	.10	7-26	8-2
Panhandle Royalty	Q	.175	8-9	9-9
Princeton Natl Bcp	Q	.10	7-26	8-15
Washington Mut.	Q	.10	7-31	8-15
REDUCED				
CIM Hi Yld Secs	M	.06	7-26	8-5
Dun & Bradstreet	Q	.25	8-20	9-10
Hyperion 1997	M	.0333	8-19	8-29
INITIAL				
Coldwell Pims a	g	.055	8-6	8-16
St Joseph LtPw n	-	.235	8-2	8-19
REGULAR				
Capital Amer Fncl	Q	.10	8-1	8-15
Eott Energy Ptnrs	Q	.475	7-31	8-14
F&M Bncp MD.	Q	.20	7-26	8-1
FSF Fncl	Q	.125	7-31	8-15
Fst Utd Cp	Q	.13	7-18	8-1
Fort Wayne Natl	Q	.26	9-10	10-1
Fulton Fncl	Q	.17	9-23	10-15
Harbor FedlSvgs	Q	.30	7-26	8-20
Hawaiian Elect	Q	.60	8-12	9-10
Merry-Land Invest	Q	.37	9-16	9-30
Monmouth REIT,	Q	.125	8-1	8-15
North Side SvgsBk	Q	.25	7-25	8-15
Pinnacle BancGp	Q	.31	7-29	8-8
Realty Inco Cp	M	.155	8-1	8-15
Republic NY Cp	Q	.38	9-15	10-1
Roanoke ElecSteel	Q	.11	8-8	8-23
SIGCORP Inc	Q	.4325	8-16	9-20
Savannah Bncp	Q	.03	8-2	8-19
Schlumberger Ltd	Q	.375	9-6	10-4
Southwest Gas Cp	Q	.205	8-15	9-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cld - called. d - new yearly low. e - dividend declared or paid in preceding 12 months. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. P/E - price-earnings ratio. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

July 17, 1996

Grains

	High	Low	Close	Chge	Opint
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	5.00	4.78	4.89	-0.12¾	3,032
Sep 96	3.99½	3.86½	3.86½	-0.18	75,921
Dec 96	3.68	3.53½	3.55	-0.12¼	179,883
Mar 97	3.72	3.59	3.60¾	-0.11¼	29,036
May 97	3.68	3.62½	3.64¼	-0.10½	6,670
Est. sales N.A. Tue's. sales 79,059					
Tue's open int 309,013 up 27,972					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jul 96	252.50	248.80	252.50	-3.30	2,445
Aug 96	255.00	246.00	250.30	-3.70	22,464
Sep 96	248.60	244.50	247.90	-4.00	12,193
Oct 96	245.00	240.00	244.50	-4.00	6,645
Dec 96	244.20	240.00	243.00	-4.20	37,269
Jan 97	244.00	241.00	243.50	-3.50	3,070
Est. sales N.A. Tue's. sales 29,506					
Tue's open int 79,859 off 837					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jul 96	25.70	25.48	25.60	-0.37	1,009
Aug 96	25.95	25.55	25.64	-0.43	18,325
Sep 96	26.05	25.77	25.89	-0.40	14,730
Oct 96	26.20	25.98	26.07	-0.41	8,482
Dec 96	26.75	26.25	26.49	-0.35	28,982
Jan 97	26.65	26.54	26.60	-0.35	2,990
Est. sales N.A. Tue's. sales 17,522					
Tue's open int 80,426 off 2326					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	8.13	8.02	8.12	-0.11	1,681
Aug 96	8.21	7.96	8.04½	-0.16	34,775
Sep 96	8.07	7.82	7.90	-0.17	12,385
Nov 96	7.95½	7.70	7.78	-0.15½	116,644
Jan 97	8.00	7.78	7.85½	-0.14	9,898
Est. sales N.A. Tue's. sales 79,410					
Tue's open int 194,233 off 1834					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	4.83	4.70	4.77½	-0.03	1,732
Sep 96	4.84¼	4.73	4.81	-0.02¼	31,115
Dec 96	4.94½	4.82	4.90	-0.03½	25,439
Mar 97	4.93	4.84½	4.89	-0.06½	5,404
Est. sales N.A. Tue's. sales 30,809					
Tue's open int 70,049 up 186					

Livestock

	High	Low	Close	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Aug 96	68.20	67.57	67.90	-0.02	31,644
Oct 96	69.42	69.00	69.37		30,380
Dec 96	66.50	65.97	66.27	+0.10	14,205
Feb 97	64.95	64.45	64.55	-0.10	12,787
Apr 97	67.35	66.78	66.77	-0.38	4,382
Jun 97	66.30	65.50	65.72	-0.38	1,413
Est. sales 14,075 Tue's. sales 15,074					
Tue's open int 96,468 off 899					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 96	62.95	62.05	62.12	-0.83	6,297
Sep 96	62.05	61.10	61.27	-0.78	2,840
Oct 96	61.98	61.15	61.27	-0.88	5,916
Nov 96	62.85	62.15	62.22	-0.88	2,808
Jan 97	64.50	63.82	63.90	-0.85	1,197
Mar 97	64.40	63.85	63.85	-0.15	848
Est. sales 4,445 Tue's. sales 3,765					
Tue's open int 20,882 up 281					
HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Jul 96	61.25	59.95	61.20	+0.95	1,554
Aug 96	58.50	57.45	58.25	+0.20	12,109
Oct 96	54.67	53.95	54.52	+0.15	11,284
Dec 96	56.30	55.65	56.05	-0.02	8,329
Feb 97	77.80	77.25	77.55	-0.10	2,329
Apr 97	75.90	75.50	75.85	-0.15	773
Est. sales 7,435 Tue's. sales 7,747					
Tue's open int 37,466 off 263					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Jul 96	93.40	93.40	93.40	+2.00	1,118
Aug 96	90.30	89.05	90.30	+2.00	3,491
Feb 97	83.15	81.50	82.65	-0.32	1,586
Mar 97	82.50	81.70	81.95	-0.60	155
May 97			83.60	-0.70	82
Jul 97			84.30		7
Est. sales 2,389 Tue's. sales 2,308					
Tue's open int 6,440 up 55					

Food

	High	Low	Close	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 96	1348	1330	1332	-7	27,527
Dec 96	1385	1366	1368	-9	16,645
Mar 97	1410	1396	1396	-8	15,725
May 97	1430	1419	1413	-4	6,464
Sep 97			1448	+1	5,190
Est. sales 10,723 Tue's. sales 19,439					
Tue's open int 80,087 up 94					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Jul 96	117.00	113.75	114.45	+5.25	119
Sep 96	107.40	103.50	106.90	+3.95	16,973
Dec 96	102.20	98.50	101.65	+3.60	6,915
Mar 97	99.00	95.78	98.80	+3.85	2,691
Est. sales 9,957 Tue's. sales 14,823					
Tue's open int 27,592 up 1835					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 96	11.81	11.58	11.79	+0.14	73,485
Mar 97	11.31	11.20	11.31	+0.06	39,358
May 97	11.02	10.90	11.01	+0.05	16,025
Jul 97	10.81	10.67	10.78	+0.06	11,617
Est. sales 15,223 Tue's. sales 11,339					
Tue's open int 146,491 up 512					

	High	Low	Close	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jul 96	115.40	115.40	115.50	-0.15	503
Sep 96	112.85	112.35	112.70	-0.40	12,118
Nov 96	110.25	109.80	109.90	-0.50	3,353
Jan 97	110.10	109.50	109.80	-0.35	4,078
Est. sales N.A. Tue's. sales 1,274					
Tue's open int 20,941 off 9					

Metals

	High	Low	Close	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jul 96			383.70	-0.10	163
Aug 96	384.80	383.60	384.20		72,700
Sep 96			385.60		72
Oct 96	387.40	386.40	386.90		7,425
Dec 96	390.10	388.90	389.50		43,743
Feb 97	392.30	391.60	392.10		9,378
Apr 97			394.50		5,705
Jun 97	397.10	397.10	397.10		8,767
Est. sales N.A. Tue's. sales 59,465					
Tue's open int 197,816 off 4721					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jul 96	89.20	87.90	88.60	+0.55	2,927
Aug 96	89.00	88.25	88.85	+0.55	2,378
Sep 96	88.80	87.30	88.45	+0.85	19,633
Oct 96	88.00	87.90	88.05	+0.85	1,308
Nov 96	88.00	88.00	87.95	+0.95	1,087
Dec 96	87.85	86.80	87.70	+0.85	13,103
Jan 97			87.70	+0.85	878
Feb 97			87.60	+0.75	732
Mar 97	87.75	87.10	87.60	+0.75	5,464
Est. sales N.A. Tue's. sales 6,216					
Tue's open int 57,449					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jul 96	497.0	492.5	492.1	+1.6	128
Aug 96			493.1	+1.7	2
Sep 96	502.5	495.0	496.0	+1.7	64,756
Dec 96	509.0	503.5	503.8	+1.5	24,285
Jan 97			507.1	+1.4	20
Mar 97	517.0	514.0	511.8	+1.4	6,520
May 97	521.0	520.0	516.8	+1.4	5,420
Jul 97	525.5	523.0	521.9	+1.4	4,098
Est. sales N.A. Tue's. sales 27,525					
Tue's open int 107,865 up 5893					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 96	394.50	394.50	393.20	+1.80	150
Oct 96	397.80	394.00	396.70	+1.80	21,903
Jan 97	399.50	398.00	399.40	+1.00	2,580
Apr 97			402.10	+1.00	2,263
Jul 97			405.10	+1.00	160
Est. sales N.A. Tue's. sales 5,451					
Tue's open int 27,859 up 138					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1436.00	1437.00	1433.00	1434.00
Forward	1473.00	1474.00	1470.00	1471.00
Copper Cathodes (High Grade)				
Spot	1952½	1957½	1967.00	1972.00
Forward	1870.00	1875.00	1872.00	1875.00
Lead				
Spot	766½	767½	754½	755½
Forward	779.00	780.00	767½	768½
Nickel				
Spot	7075.00	7085.00	7140.00	7150.00
Forward	7190.00	7200.00	7250.00	7260.00
Tin				
Spot	6190.00	6200.00	6195.00	6205.00
Forward	6240.00	6245.00	6250.00	6255.00
Zinc (Special High Grade)				
Spot	987½	988½	980.00	981.00
Forward	1015½	1016.00	1008.00	1009.00

Financial

	High	Low	Close	Chge	Opint
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Sep 96	94.74	94.70	94.71	-0.03	7,991
Dec 96	94.58	94.52	94.54	-0.03	1,515
Mar 97			94.48		181
Est. sales N.A. Tue's. sales 1,449					
Tue's open int 9,687 up 846					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	105-13	105-07	105-10	— 025	172,034
Dec 96	104-275	104-265	104-27	— 025	4,426
Est. sales 36,200 Tue's. sales 69,648					
Tue's open int 177,462 up 1321					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	106-30	106-21	106-27	— 01	281,817
Dec 96	106-09	106-04	106-05	—	16,748
Mar 97	105-29	105-27	105-29		298
Est. sales 77,500 Tue's. sales 97,051					
Tue's open int 298,864 off 1574					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 96	108-22	108-06	108-12	— 04	440,295
Dec 96	108-04	107-23	107-27	— 04	16,798
Mar 97	107-22	107-12	107-14	— 04	3,044
Jun 97			107-01	— 04	1,129
Est. sales 338,000 Tue's. sales 454,494					
Tue's open int 461,434 up 9259					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep96	106-18	106-07	106-14	+ 0-04	128,231
Dec96	N.T.	N.T.	105-20	+ 0-05	531
Est. sales: 32,972. Prev. sales: 73,401					
Prev. open int.: 128,762 off 4,998					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep96	96.47	96.04	96.43	+ 0.33	200,326
Dec96	95.46	95.15	95.52	+ 0.33	7,150
Est. sales: 174,734. Prev. sales: 175,724					
Prev. open int.: 207,426 up 6,898					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 96	122.78	122.16	122.70	+0.60	168,174
Dec 97	121.40	120.84	121.34	+0.58	30,489
Mar 97	121.06	120.66	121.10	+0.58	2,056
Est. volume: 167,891. Open int.: 200,719 up 3,778.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep96	115.57	114.80	115.19	+ 0.37	
Dec96	114.85	114.60	114.54	+ 0.16	2,647
Est. sales: 56,483. Prev. sales: 103,907					
Prev. open int.: 65,250 up 613					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Aug 96	94.280	94.250	94.280	-10	17,951
Sep 96	94.200	94.170	94.200	-10	412,336
Oct 96	94.070	94.050	94.060	-10	2,343
Dec 96	93.930	93.870	93.910	-20	449,185
Mar 97	93.800	93.730	93.770	-30	293,129
Jun 97	93.610	93.540	93.590	-30	238,579
Sep 97	93.460	93.380	93.430	-30	202,908
Mar 00	92.830	92.790	92.810	-20	33,158
Est. sales N.A. Tue's. sales 730,670					
Tue's open int 2,523,227 off 4272					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 96	1.5592	1.5418	1.5476	-118	59,887
Dec 96	1.5550	1.5420	1.5486	-122	1,898
Mar 97			1.5502	-126	6
Est. sales N.A. Tue's. sales 11,112					
Tue's open int 60,201 up 950					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Can. dlr					
Sep 96	.7319	.7288	.7291	-28	32,147
Dec 96	.7335	.7303	.7306	-28	4,020
Mar 97			.7318	-28	428
Jun 97	.7330	.7330	.7325	-28	678
Est. sales N.A. Tue's. sales 9,070					
Tue's open int 37,383 up 259					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 96	.6788	.6727	.6761	-15	67,493
Dec 96	.6810	.6735	.6803	-14	2,737
Mar 97	.6839	.6839	.6848	-14	311
Jun 97			.6891	-14	2
Est. sales N.A. Tue's. sales 71,330					
Tue's open int 70,543 up 12512					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 96	.009286	.009202	.009279	+47	75,952
Dec 96	.009397	.009353	.009393	+46	2,795
Mar 97			.009505	+44	141
Est. sales N.A. Tue's. sales 48,816					
Tue's open int 79,986 off 4439					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 96	.8325	.8206	.8297	+20	36,577
Dec 96	.8372	.8328	.8359	+20	1,744
Mar 97	.8425	.8400	.8425	+20	95
Est. sales N.A. Tue's. sales 57,807					
Tue's open int 38,421 up 2742					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep96	94.30	94.18	94.29	- 0.01	86,677
Dec96	94.22	94.18	94.20	- 0.01	96,896
Mar97	93.92	93.87	93.89	- 0.01	62,682
Jun97	93.48	93.43	93.45	- 0.01	42,847
Sep97	93.06	93.01	93.02	- 0.01	30,476
Dec97	92.67	92.61	92.64	- 0.01	24,748
Mar98	92.22	92.35	92.37	- 0.01	19,003
Jun98	92.53	92.18	92.21	Unch.	13,641
Sep98	92.08	92.07	92.07	Unch.	8,912
Dec98	91.96	91.94	91.97	Unch.	9,261
Mar99	91.87	91.86	91.88	Unch.	3,063
Jun99	91.78	91.78	91.77	Unch.	1,397
Est. sales: 47,945. Prev. sales: 64,145					
Prev. open int.: 399,003 up 2,381					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep96	96.68	96.64	96.67	Unch.	184,327
Dec96	96.57	96.50	96.54	+ 0.01	172,847
Mar97	96.29	96.20	96.26	+ 0.02	185,138
Jun97	95.93	95.84	95.90	+ 0.02	109,827
Sep97	95.55	95.48	95.54	+ 0.03	89,173
Dec97	95.20	95.13	95.20	+ 0.04	67,909
Mar98	94.90	94.82	94.90	+ 0.05	70,972
Jun98	94.59	94.53	94.59	+ 0.05	30,197
Sep98	94.32	94.25	94.29	+ 0.03	28,066
Dec98	94.05	93.99	94.04	+ 0.03	20,260
Mar99	93.84	93.78	93.83	+ 0.03	17,505
Jun99	93.64	93.59	93.63	+ 0.03	6,998
Est. sales: 189,308. Prev. sales: 279,413					
Prev. open int.: 983,839 off 21,948					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 96	96.10	96.05	96.06	+0.04	71,703
Dec 96	95.94	95.88	95.91	+0.06	47,162
Mar 97	95.73	95.65	95.71	+0.09	28,582
Jun 97	95.49	95.39	95.46	+0.10	16,325
Sep 97	95.24	95.16	95.23	+0.11	12,623
Dec 97	94.98	94.91	94.97	+0.09	8,550
Mar 98	94.76	94.70	94.75	+0.08	8,313
Jun 98	94.53	94.46	94.51	+0.08	5,994
Sep 98	94.27	94.25	94.27	+0.07	3,912
Dec 98	94.01	94.01	94.02	+0.05	4,128
Mar 99	93.83	93.74	93.80	+0.05	7,749
Jun 99	93.55	93.55	93.57	+0.04	1,744
Est. volume: 66,429. Open int.: 276,795 up 418.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep96	91.61	91.37	91.60	+ 0.06	28,940
Dec96	92.02	91.91	91.99	+ 0.04	36,559
Mar97	92.16	92.05	92.14	+ 0.03	22,086
Jun97	92.16	92.05	92.13	+ 0.02	12,757
Sep97	92.06	92.05	92.04	+ 0.02	6,698
Dec97	91.91	91.85	91.91	+ 0.03	3,245
Est. sales: 29,347. Prev. sales: 57,183					
Prev. open int.: 140,294 up 2,336					

Industrials

	High	Low	Close	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 96	72.75	72.20	72.45	-0.35	7,962
Dec 96	73.51	73.00	73.17	-0.48	33,982
HEATING OIL (NMER) 42,000 gal - cents per gal					
Mar 97	74.80	74.40	74.50	-0.50	7,694
May 97	75.20	75.00	75.15	-0.45	5,942
Jul 97	75.90	75.70	75.70	-0.45	4,050
Oct 97			74.23		
Est. sales N.A. Tue's. sales 4,877					
Tue's open int 63,350 up 103					
Aug 96	57.40	55.40	56.32	-0.86	31,191
Sep 96	57.60	55.70	56.53	-0.88	19,235
Oct 96	57.80	56.20	56.88	-0.88	8,229
Nov 96	58.15	54.50	57.23	-0.83	9,989
Dec 96	58.50	57.10	57.58	-0.78	21,046
Jan 97	58.35	57.80	57.58	-0.73	8,895
Feb 97	57.40	56.31	56.78	-0.68	4,120
Mar 97	55.60	54.66	54.98	-0.63	2,638
Apr 97	53.45	52.56	52.93	-0.58	1,631
May 97	51.61	50.91	51.33	-0.53	1,416
Est. sales N.A. Tue's. sales 25,917					
Tue's open int 112,911 up 1553					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Aug 96	22.42	21.30	21.75	-0.63	63,978
Sep 96	21.66	20.70	21.16	-0.58	64,673
Oct 96	20.95	20.07	20.55	-0.42	41,224
Nov 96	20.39	19.66	20.03	-0.39	28,447
Dec 96	19.96	19.25	19.60	-0.41	32,778
Jan 97	19.66	19.00	19.20	-0.50	24,554
Feb 97	19.10	18.98	19.00	-0.46	19,443
Apr 97	18.90	18.73	18.73	-0.33	7,919
May 97	18.60	18.55	18.55	-0.34	5,853
Jun 97	18.58	18.25	18.40	-0.33	21,680
Jul 97	18.46	18.30	18.30	-0.31	7,480
Nov 97	17.90	17.98	17.98	-0.32	5,381
Dec 97	18.02	17.60	17.74	-0.43	17,734
Est. sales N.A. Tue's. sales 111,781					
Tue's open int 388,597 off 1881					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Aug 96	2.774	2.620	2.638	-122	29,351
Sep 96	2.760	2.620	2.637	-108	29,263
Oct 96	2.675	2.565	2.585	-94	21,050
Nov 96	2.654	2.570	2.575	-80	12,884
Dec 96	2.651	2.585	2.590	-85	15,608
Jan 97	2.669	2.590	2.590	-80	12,396
Feb 97	2.475	2.420	2.420	-75	7,381
Mar 97	2.310	2.270	2.270	-50	4,992
Apr 97	2.185	2.155	2.155	-43	2,880
May 97	2.105	2.070	2.070	-46	2,876
Jun 97	2.090	2.065	2.065	-35	2,739
Est. sales N.A. Tue's. sales 17,633					
Tue's open int 161,130 up 426					
UNLEADED GASOLINE (NMER) 42,000 gal - cents per gal					
Aug 96	65.40	63.20	63.89	-1.34	34,472
Sep 96	63.50	61.60	62.21	-1.18	20,659
Oct 96	60.50	59.15	59.36	-1.08	6,157
Nov 96	58.50	57.15	57.41	-0.98	2,361
Dec 96	57.15	56.45	56.26	-0.89	1,867
Jan 97	56.30	55.80	55.66	-0.89	1,517
Est. sales N.A. Tue's. sales 21,349					
Tue's open int 57,931 up 275					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Aug 96	179.25	177.50	178.50	-0.75	22,533
Sep 96	176.25	174.50	175.50	-1.25	9,409
Oct 96	175.00	173.75	174.50	-1.25	4,175
Nov 96	174.50	173.00	173.50	-1.50	1,920
Dec 96	174.25	172.00	172.75	-1.75	9,654
Jan 97	172.25	171.00	171.25	-1.75	2,351
Feb 97	169.00	168.00	168.00	-1.75	595
Mar 97	166.00	165.00	164.75	-2.00	1,655
Apr 97	163.25	162.25	161.50	-2.00	1,600
May 97	160.75	160.50	159.00	-1.50	134
Jun 97	157.75	157.75	156.50	-1.50	1,962
July 97	N.T.	N.T.	154.50	-1.50	Unch.
Est. sales: 11,109. Open int: 55,938 up 223					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Sep 96	20.00	19.13	19.40	-0.63	79,894
Oct 96	19.49	18.73	18.97	-0.47	25,285
Nov 96	19.07	18.35	18.58	-0.44	9,130
Dec 96	18.67	18.00	18.23	-0.42	15,176
Jan 97	18.39	17.92	17.96	-0.39	11,853
Feb 97	18.13	17.69	17.72	-0.37	5,137
Mar 97	17.90	17.43	17.50	-0.37	4,224
Apr 97	N.T.	N.T.	17.31	-0.37	3,386
May 97	N.T.	N.T.	17.14	-0.37	1,441
June 97	N.T.	N.T.	17.00	-0.35	3,452
Est. sales: 34,535. Open int.: 159,103 off 8,889.					

Stock Indexes

	High	Low	Close	Chge	Opint
S&P COMP. INDEX (CMER) 500 x index					
Sep 96	640.00	631.90	637.80	+5.70	177,979
Dec 96	645.70	638.50	643.10	+5.00	7,916
Mar 97	652.00	644.50	649.80	+5.50	1,349
Jun 97	657.50	650.50	657.00	+6.40	26
Est. sales N.A. Tue's. sales 133,800					
Tue's open int 187,270 off 1919					
FTSE 100 (LIFFE) £25 per index point					
Sep96	3667.0	3640.0	3662.0	+ 31.0	60,340
Dec96	N.T	N.T	3682.0	+ 31.0	1,771
Mar97	N.T	N.T	3694.0	+ 30.5	100
Est. sales: 12,328. Prev. sales: 27,106					
Prev. open int.: 62,214 up 714					
CAC 40 (MATIF) FF200 per index point					
Jul 96	2014.0	1995.0	1996.0	+8.00	29,940
Aug 96	2015.0	2001.5	2002.0	+8.50	4,770
Sep 96	2022.0	2008.0	2008.5	+8.00	20,636
Dec 96	2033.0	2031.0	2027.0	+7.00	4,342
Mar 97	2050.0	2050.0	2046.0	+5.00	4,640
Sep 97	N.T.	N.T.	2036.0	+6.00	4,710
Mar 98	N.T.	N.T.	2089.0	+8.00	2,070
Est. volume: 24,524. Open int.: 71,116 off 81.					

Commodity Indexes

	Close	Previous
Moody's	1,518.30	1,528.90
Reuters	1,967.50	1,985.70
D.J. Futures	143.48	143.33
CRB	246.60	247.91

Stork to Buy Parts Of Fokker Unless Overall Bid Emerges

Compiled by Our Staff From Dispatches

AMSTERDAM — Stork NV said Wednesday it agreed to buy Fokker Aviation NV, the holding company that absorbed the bankrupt aircraft maker's viable businesses, for 302.5 million guilders ($180.5 million).

But Fokker's liquidators warned that they could still reverse the agreement "if a buyer can be found for the whole of Fokker, including the bankrupt aircraft maker."

Stork said that 222.5 million guilders of that sum is for Fokker Aviation's shares, while 80 million is to take over a loan.

Stork is involved in the technical services, industrial components and engineering and contracting businesses. Fokker Aviation is mainly involved in maintenance and support activities of Fokker NV, whose core aircraft-production unit went bankrupt in March.

"Fokker Aviation's activities are a logical fit with ours," Stork said. It said that Fokker Aviation's clients were "positive" about the takeover.

On the Amsterdam Stock Exchange, Fokker and Stork shares were suspended from trading.

Stork said Fokker Aviation would "contribute to earnings per share from 1996."

The Dutch machinery maker said the Fokker Aviation purchase would help its annual sales rise 12 percent, to 5 billion guilders.

It added that it expected Fokker Aviation's sales to rise to 800 million guilders during each of the next two years from 600 million guilders in the current year.

But Fokker's liquidators said Stork would not be allowed fully to integrate Fokker Aviation in its businesses until it was clear whether the company as a whole could still be sold. This process could take "several months."

Stork has said repeatedly in the past it is not interested in the aircraft-production business.

Stork as a whole employs 18,500 people and receives about 4.7 billion guilders worth of orders a year.

Fokker Aircraft BV unit, the core aircraft-production business, was declared bankrupt alongside Fokker NV, the parent company. Fokker Aviation employs some 2,400 of the company's former 8,000 strong work force.

After getting millions of guilders in Dutch state aid in recent years, Fokker had a record 651 million guilder loss in the first half of last year.

About 25 to 30 percent of Fokker Aviation's sales are related to maintenance of Fokker jets. Stork expects this area of Fokker Aviation's business to grow in the next 10 years, because "old planes need more maintenance than new ones." *(Bloomberg, AP)*

SGS-Thomson Sees 44% Profit Surge

Compiled by Our Staff From Dispatches

PARIS — SGS-Thomson Microelectronics NV, Europe's biggest independent semiconductor company, said Wednesday that sales of high-margin products lifted second-quarter earnings nearly 44 percent.

The Franch-Italian company said net income for the quarter rose to $176.1 million from $122.6 million a year ago, as sales rose 19 percent, to $1.05 billion.

The company's shares on the Paris Bourse, which have plunged over the past two weeks as competitors such as Motorola Inc. and Texas Instruments Inc. reported lower earnings, rose to 169 francs ($33.19), up 9.6.

Pasquale Pistorio, the president of SGS-Thomson, said the results were achieved "in difficult market conditions at a time when experts forecast that business for the entire industry would fall."

But he warned that while sales in the third quarter would be higher than those of a year ago, they would not exceed the second-quarter level.

Industry analysts predict a sharp slowdown in the semiconductor market this year, with growth of only 8 percent, because of a huge drop in the price of memory chips. Growth topped 40 percent in 1995.

Although SGS-Thomson makes some memory products, it has steered clear of the competitive dynamic random-access chip market. These chips are mostly used in personal computers and consumer-electronics goods.

SGS-Thomson's products go into high-growth areas, such as the automotive and communications industries. *(Bloomberg, Reuters)*

Italy Makes Phone Progress

Draft Law Enables Government to Sell STET

Compiled by Our Staff From Dispatches

ROME — The Italian government Wednesday agreed to draft legislation on the regulation of media and telecommunications, a move that could revolutionize the domestic television market.

The bill, which has to be approved by Parliament, lays down provisions for the creation of a watchdog agency for the telecommunications sector, which would be required for theprivatization of Società Finanziaria Telefonica SpA, or STET, a state holding company.

It also would establish ownership limits for Italy's television and publishing companies, as well as reducing TV advertising time available to newly floated Mediaset SpA, in which Silvio Berlusconi, the former prime minister, holds a controlling stake.

The bill is expected to have a rough ride in Parliament, where Mr. Berlusconi heads the center-right opposition. The government is backed by a center-left coalition which defeated Mr. Berlusconi's center-right alliance in April.

Mediaset called some of the proposals "economic vandalism."

Fedele Confalonieri, the chairman of the group controlled by Mr. Berlusconi, said cutbacks in advertising required by the draft bill could cost Mediaset about 150 billion lire ($98.1 million) in lost revenue.

The proposals are intended to address a ruling by the Constitutional Court in January 1995 that Mr. Berlusconi's three national television networks violated broadcast ownership laws.

The Italian television industry has been marked by the rivalry between the state-controlled RAI and Mr. Berlusconi's networks. In turn, Mr. Berlusconi has faced accusations that his TV ownership conflicted with his political career.

The proposed changes regarding advertising would only affect Mediaset, which owns three channels and has been granted three government concessions, and not RAI-TV. RAI has three networks, but under the same concession.

Antonio Maccanico, the posts minister, said that after August 1997, no company would be allowed to have more than a 30 percent share of advertising revenue or license fees in either the terrestrial, satellite or cable television market.

He said this would mean Mediaset, which the goverment estimates has a 36 percent share of TV revenue, would have to reduce the combined influence of its three terrestrial channels or switch one of its stations to satellite or cable.

But under other provisions of the draft bill, Mr. Berlusconi would be entitled to bid for a mobile-telephone operating license.

The creation of the authority sets the stage for the government to sell its 62 percent stake in STET.

Because STET's subsidiaries still are monopolies in some sectors, the company could not be sold until pricing power was taken out of political hands and vested in an independent authority.

The cabinet delayed approval of the telecommunications draft law twice because it failed to reach an agreement on politically sensitive issues related to state broadcaster RAI.

With parliamentary approval, STET could be sold to private investors by early 1997. STET controls rgw national telephone service monopoly Telecom Italia SpA and cellular telephone company Telecom Italia Mobile SpA.

STET shares rose 116 lire, to 4,786 lire. Mediaset shares fell 111 lire, to 7,490. *(AP, Bloomberg)*

Rewe Buys Austrian Grocery Chain

Bloomberg Business News

VIENNA — Rewe-Zentral AG, Germany's largest grocery store retailer, said Wednesday it bought Billa AG, Austria's largest grocery chain, for a price Austrian media estimated is at least 10 billion schillings ($947.9 million).

Neither company would confirm the price.

Neue Kronen-Zeitung, a Vienna newspaper, reported the price was "well over 10 billion schillings."

Rewe said Billa would give it a 26 percent share of the Austrian market and a platform to push into Eastern Europe. Billa and Rewe already have subsidiaries in Hungary, the Czech Republic and Poland, as well as Italy.

"What is interesting about the Billa purchase is that Rewe not only gets a significant presence in Austria, but also in Eastern Europe," said Gerhard Huemer, an economic analyst with the Austrian Federal Economic Chamber, a business group.

Both Billa and Rewe are privately owned. By buying Billa, Rewe also acquires the Austrian discount chains Merkur and Mondo, as well as Bipa, an Austrian drug-store chain.

Billa is owned by Karl Wlaschek, who opened a perfume store in Vienna in 1953 and built it into Austria's largest grocery chain with a reputation for clean, modern stores and low prices. Billa, in German, is an abbreviation for *billiger laden*, or inexpensive stores. The chain has 1,600 stores and 18,000 employees.

Rewe, with 1995 sales of more than 48 billion Deutsche marks ($31.9 billion), also operates the retailers HL Markt, Minimal, Penny Markt, Toom and Globus. Billa expects to show 1996 sales of 54.9 billion schillings ($5.20 billion).

The purchase is the latest in a wave of consolidation hitting the European grocery business. In June, Auchan SA, a French retailer, bid for Groupe Docks de France — a combination that would create France's third-biggest grocery and nonfood merchandise chain.

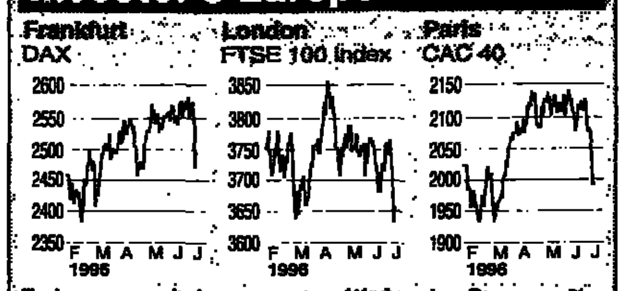
The Vienna newspaper, which said it interviewed Mr. Wlaschek in Cologne after he completed negotiations at Rewe headquarters, said Mr. Wlaschek planned to use the money from the sale to buy Austrian real estate. Mr. Wlaschek also owns Billareal Immobilieninvest AG, a real estate company.

The newspaper quoted Mr. Wlaschek as saying he sold the chain to Rewe because he received a "guarantee that my company not only will continue to operate, but will expand internationally, especially into Eastern Europe."

Rewe said Billa would continue to be led by its current management.

Mr. Wlaschek will become chairman of Billa's nonmanagement supervisory board, to "ensure the continual success of the company."

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	527.11	528.27	-0.22
Brussels	Stock Exchange	9,182.95	9,182.83	+0.00
Frankfurt	DAX	2,497.19	2,469.79	+1.11
Copenhagen	Stock Market	405.92	407.19	-0.31
Helsinki	HEX General	1,986.32	1,978.18	+0.41
Oslo	OBX	449.18	450.81	-0.36
London	FTSE 100	3,658.20	3,632.30	+0.71
Madrid	Stock Exchange	354.09	352.69	+0.40
Milan	MIBTEL	9,822.00	9,711.00	+1.14
Paris	CAC 40	1,995.11	1,989.51	+0.28
Stockholm	SX 16	1,955.86	1,956.03	-0.01
Vienna	ATX	1,036.50	1,048.86	-1.16
Zurich	SPI	2,348.85	2,359.27	-0.44

Source: Telekurs — International Herald Tribune

Very briefly:

- **The European Commission** is investigating whether state aid granted to **Bremer Vulkan AG** for building a cruise ship it is about to deliver violated EU limits; the commission also cleared the merger of **Ciba-Geigy AG** and **Sandoz AG**, the **Atlas** joint venture between **Deutsche Telekom AG** and **France Telecom** and the **GlobalOne** venture, formerly known as **Phoenix**, between Atlas and **Sprint Corp.**
- **Woolwich Building Society's** first-half pretax profit rose 29 percent, to £183 million ($285.5 million), as an active housing market increased mortgage lending.
- **Imperial Tobacco Group**, a unit of **Hanson PLC** set to be spun off Oct. 1, bought the Dutch cigar maker **Cadena Claassen** for an undisclosed sum.
- **Sema Group PLC**, a French-British technology-services company, will pay £64.2 million ($100.2 million) to acquire **Syntax Processing**, an information-technology unit of **Olivetti SpA**, and plans to raise £99.1 million in a rights offering.
- **Bic SA**, the French maker of disposable pens, razors and cigarette lighters, said second-quarter sales rose 8 percent from a year earlier, to 1.69 billion francs ($331.9 million).
- **Britain** said the number of people out of work and claiming social security benefits fell to a five-year low in June, but the unemployment rate was unchanged, at 7.7 percent.
- **General Electric Co.** aims to more than double its sales in Europe, to $30 billion by 2000 from, around $14 billion at present, its chairman, Jack Welch, said.
- **Medeva PLC's** first-half pretax profit rose 17 percent, to £33.9 million, on improved sales of several pharmaceutical products; the company raised its dividend 18 percent, to 1.65 pence a share.
- **Mercedes-Benz AG's** commercial-vehicle division chief, **Bernd Gottschalk**, will step down next month over differences with the company on truck strategy.
- **Costain Group PLC's** major investor, **M.A. Kharafi & Sons of Kuwait**, criticized the company's business plan and management and said it would block the company's rescue package.

Bloomberg, AFX, AFP, Reuters

WORLD STOCK MARKETS

Wednesday, July 17
Prices in local currencies.
Telekurs

Amsterdam
EOE Index: 527.11 Previous: 528.27

	High	Low	Close	Prev.
ABN-AMRO	83.70	82.60	82.80	82.90
Aegon	78.50	77	77.10	77.50
Ahold	85.20	84	85.20	85
Akzo Nobel	186.90	184.30	184.60	185.40
Bols Wess cva	27	26.50	26.80	26.80
CSM cva	79.40	78.70	79.40	80
Dordtsche Pet	270	266.30	266.50	269
DSM	155.70	153.50	154.10	153.30
Elsevier	25.20	24.90	25.10	25.20
Fortis Amev	47.20	45.80	45.80	47
G-Broc cva	53.30	52.30	52.40	53
Hagemeyer	129	123.50	127	124.50
Heineken	366	359.80	359.80	363.50
Hoogovens	58.80	57.40	57.60	58.50
Hunt Douglas	106	104	104.50	105
ING Group	48.40	46.70	47.20	47.50
KLM	53.40	51.80	52.90	51.70
KNP BT	38.90	38	38.80	38.40
KPN	60.80	59.80	60	60.20
Nedlloyd Gp	36.20	35.70	35.90	35.70
Nutricia	174.20	172.50	172.50	170.90
Oce Grinten	161	158	159.90	160
Pakhoed	43.20	42.60	42.90	42.50
Philips Elec	52.40	50.70	51.50	50.30
Polygram	91.10	89.10	90	89.40
Randstad Hdg	122.70	119.50	120.40	120
Robeco	121	119.90	120.60	122.30
Rodamco	46.50	46	46.50	46.20
Rolinco	128.70	128.20	128.60	130
Rorento	96.80	96.70	96.70	97.10
Royal Dutch	253.20	251.30	251.30	254.30
Stork	48.20	46.70	48	46.70
Unilever cva	237	234.20	235.80	236.10
VNU	26	25.30	25.60	25.50
Wolters Kl cva	188	185	186.50	186.60

Bangkok
SET Index: 1172.38 Previous: 1181.85

	High	Low	Close	Prev.
Adv Info Svc	370	362	364	366
Bangkok Bk F	336	332	332	336
Krung Thai Bk	115	112	114	113
PTT Explor	346	336	336	340
Siam Cement F	1072	1066	1072	1072
Telecomasia	50.50	49.50	49.75	49.75
Thai Airways	51.50	51	51.50	47.25
Thai Farm Bk F	280	270	276	274
Utd Teleph	46.25	43.75	44.25	45.75
Utd Comm	322	308	310	322

Bombay
Sensitive Index: 3644.93 Previous: 3712.37
Tuesday, July 16

	High	Low	Close	Prev.
Assoc Cement	2240	2100	2125	2228
Grasim Ind	520	510.25	517.25	525.50
Hindalco Ind	1170.50	1160	1160	1175
Hind Lever	862	840	848.50	865
Indian Hotels	810	802.25	805	810
	316	308	310	314.50
Larsen Toubro	275	246.25	250.50	272.50
Reliance Ind	210	194.50	203.75	196.25
Tata Eng Loco	535	528	531.25	532.25
Tata Iron St	233.25	220	222.50	229

Brussels
Stock Exchange Index: 9182.95 Previous: 9182.83

	High	Low	Close	Prev.
…ed	3390	3350	3380	3385
…co Ind	4970	4920	4935	4900
	5710	5660	5670	5700
…pert	23200	22975	23050	23100
	2350	2335	2350	2350
…B	2450	2410	2415	2410
…erill	134	131	132	130
…uyt	10400	10250	10250	10325
…aize Lion	1570	1540	1550	1575
…rabel	6780	6760	6760	6790
…rafina	2720	2680	2720	2700
…s AG	4030	3980	4010	3995
	1350	1308	1330	1306
	3768	3730	3750	3760
…Banque	10900	10475	10675	10475
…erbel	3250	3200	3200	3200
…ietbank	9540	9490	9510	9480
…one	2300	2300	2300	2280
…ofina	9440	9330	9360	9340
…emin	4390	4250	4300	4270
…icel	300	293	300	292
…ale Belge	5680	5600	5610	5580
…Gen Belg	2290	2260	2265	2275
…y	18100	17975	17975	18100
…endeno	10450	10300	10400	10375
…ebel	12625	12400	12525	12550
	55400	55150	55400	55300
…n Miniere	2225	2200	2280	2210

Copenhagen
Stock Index: 405.92 Previous: 407.19

	High	Low	Close	Prev.
…berg B	337	330	331	336
…co	303	299	303	302
Danske Bk	390	385	387	389
…vendborg A	190000	190000	190000	195000
…912 A	130000	130000	130000	130227
…Asiatic Co	120	118	118	120
…ns B	635.25	630	630	635
…Suc B	136	133	135	136
…ordisk B	832	820	828	831
…meter B	375	369.08	375	375
…s Ber B	774	760	767	772
…ranik B	280.50	275	278	282
…mark	265	262	264	263

Frankfurt
DAX: 2497.19 Previous: 2469.79

	High	Low	Close	Prev.
AMB	970	940	985	970
AEG	152	150	152	157
Allianz Hdg	2580	2567	2572	2550
Altana	1095	1072	1092	1070
Asko Deutsche	1138	1131	1136	1130
Badenwerk	558	558	558	560
BASF	42.15	41.80	41.87	41
Bayer Hypo Bk	40.80	40.55	40.55	40.20
Bay.Vereinsbank	48.10	47.95	48.08	47.45
Bayer	51.15	50.51	50.92	50.45
Berliner Kraft	430	420.50	420.50	422
BHF Bank	39.60	38.70	38.70	39.10
BMW	848.50	845.20	845.20	843.50
CKAG Colonia	1115	1085	1090	1105
Commerzbank	334.50	329	331	323
Daimler Benz	79.65	79.25	79.30	78.45
Degussa	505	502	503.20	498
Deutsche Bank	73.05	72.78	72.86	72.10
Dresdner Bank	38.40	38.35	38.35	38.15
Heidelbg Zmt	1020	1015	1015	1015
Henkel	61.70	61.30	61.50	61.30
Hochtief	675	665	669	656
Hoechst	50.40	49.85	50.20	49.85
Holzmann Ph.	394	386	387	383
Karstadt	554	549.50	554	544
Kaufhof Hdg	568	563	566	561
Linde	925	923.50	925	923
Lufthansa ord	211.50	210.50	210.50	210
MAN	377.50	373	374.50	373
Mannesmann	542.80	541	542	536
Muench Rueck	3345	3314	3319	3257
Preussag	372	369.50	370	365.10
PWA	198	192	197	192
RWE	55.07	54.30	54.40	54.20
SAP pfd	209	205.70	206.50	205.50
Schering	104	102.50	102.50	101
Schmalb Lub	264.50	264	263	263
Siemens	79.60	78.79	78.79	78.75
Suedzucker	730	710	710	746
Thyssen	275.50	273.10	273.10	272.20
Veba	77.80	77.40	77.60	75.90
VEW	455	436	440	428
Viag	595	581.50	592.50	577.40
Volkswagen	540	537.50	539	531
Wella	805	800	805	792

Helsinki
HEX General Index: 1986.32 Previous: 1978.18

	High	Low	Close	Prev.
Cultor 1	228	223	223	228
Enso R	37	36.20	36.70	36.40
Huhtamaki 1F	159	153	155	157
Kesko	68.60	68.50	68.60	69.50
Kone BF	500	490	500	490
Merita A	9.70	9.50	9.61	9.53
Metra BF	221.50	219	221	221
Metso-Serla B	32	31.50	31.70	32
Nokia Prf F	159	153.50	156.50	153.80
Outokumpu A	78.50	77.50	77.50	77.50
Rautaruukki	36.60	36	36.50	36
Stockmann A	255	255	255	251
UPM-Kymmene	99.50	98.80	98.80	99.40
Valmet A	73.50	72.30	72.60	73

Hong Kong
Hang Seng: 10609.10 Previous: 10627.98

	High	Low	Close	Prev.
Amoy Props	9	8.70	8.80	8.90
Bk East Asia	27.50	27	27	27.15
Cathay Pacific	13.40	13.05	13.35	13.20
Cheung Kong	53.50	52.25	52.25	52.75
China Light	33.70	33.30	33.30	33.40
Chin Estates	6.80	6.65	6.70	6.70
Citic Pacific	31.30	30.90	31	30.80
Cons Elec Pwr	12.45	12.25	12.30	12.45
Dao Heng Bk	29.70	29.65	29.65	29.90
First Pacific	11.95	11.50	11.50	11.95
Great Eagle	22.20	21.65	21.65	22
Guangdong Inv	4.90	4.73	4.80	4.85
Guoco Group	36.50	35.80	36	35.90
Hang Lung	14.20	14.05	14.05	14.05
Hang Seng Bk	76	75	75	75.50
Henderson Inv	7.20	7.05	7.10	7.15
Henderson Ld	56	55	55.50	55.25
HKR Intl	9.15	8.90	8.90	9.10
HK Aircraft	21.30	20.90	20.90	21.15
HK China Gas	12.15	12	12	12.10
HK Electric	24.05	23.75	23.85	23.70
HK Shang Hts	13.25	13	13.20	13.15
HK Telecomm	13.10	12.85	12.85	12.90
Hopewell Hdgs	4.28	4.15	4.15	4.18
HSBC Hdgs	120	118	118.50	119
Hutchison Wh	46.80	46.20	46.40	46.50
Hysan Dev	22.35	21.75	21.75	22.20
Johnson El 500	17.40	17.05	17.10	17.35
Miramar Hotel	15.80	15.55	15.55	15.55
Nat Mutual	6.40	6.35	6.40	6.40
New World	35.70	34.80	35.70	35.20
Oriental Press	4	3.95	3.98	4
Orient Telecom	3.50	3.30	3.40	3.38
Shangri-La	10.65	10.50	10.50	10.65
SHK Props	74.75	73	73.25	72.25
Shun Tak Hdgs	4.58	4.53	4.53	4.55
Sino Land Co.	7.60	7.35	7.50	7.55
Sth China Post	5	4.80	4.85	4.95
Swire Pac A	66.50	65.25	65.50	65.25
Tsim Sha Tsui	9.85	9.75	9.80	9.80
TV Broadcasts	28.50	28.20	28.20	28.40
Wharf Hdgs	26.50	26	26.35	26.25
Wheelock	14.75	14.30	14.30	14.65

Jakarta
Composite Index: 576.27 Previous: 573.33

	High	Low	Close	Prev.
Astra Intl	2500	2475	2500	2500
Bank Pacific	1550	1500	1500	1525
Gudang Garm	9350	9200	9350	9200
Indah Kiat	2175	2150	2175	2100
Indocement	7300	7250	7275	7300
Indofood	10275	10050	10275	10050
Indorayon	2150	2125	2150	2150
Indosat	7750	7650	7750	7625
Kalbe Farma	4700	4600	4600	4525
Sampoerna	25625	25550	25625	25550

Johannesburg
All Market: 6684.19 Previous: 6628.39

	High	Low	Close	Prev.
AngloAm-Corp	260	255.75	257	256.25
AngloAm Gold	397	395	397	397
AngloAm Ind	156.50	150	156	148.50
Barlow	45	44.25	44.80	44.40
C.G. Smith	21.50	21	21.35	20.65
De Beers	141.95	140	140.75	141
Driefontein	59.25	58.50	58.50	60.50
Freegold	47	45.75	45.75	47
Fst Natl Bk	28.25	27.25	28.05	26.50
Gencor	15.85	15.40	15.75	15.30
GFSA	123	119	119	123
Iscor	3.09	3.04	3.05	3.05
Johnnies Ind	53.75	53.25	53.50	53.25
Kloof Gold	44.50	43.50	43.50	44.75
Liberty Life	136	134	134.25	134
Minorco	95.50	94	94.50	94.50
Nedcor	65	64	65	64
Rembrandt Gp	40	38.75	40	39.50
Richemont	69.25	64.75	67.50	64
Rust Platinum	66.25	65.25	66	65.25
SA Breweries	122	119.25	120.50	118.50
Sappi	45.45	44.50	45.40	44.35
Sasol	45.10	44.05	45	44
SBIC	168.75	168.25	168.50	168.25
Tiger Oats	54.25	53.25	53.75	53.75

Kuala Lumpur
Composite: 1126.50 Previous: 1123.77

	High	Low	Close	Prev.
Genting	19	18.70	18.90	18.80
Hicom Hldgs	7.45	7.30	7.40	7.30
Mal Banking	24	23.80	23.90	23.90
Mal Intl Ship F	7.55	7.50	7.50	7.45
Public Bank F	5.20	5.05	5.10	5.15
Resorts World	13.30	12.90	12.90	13.20
Sime Darby	7.35	7.25	7.25	7.30
Telekom Mal	20.80	20.50	20.50	20.70
Tenaga	10.30	10.20	10.30	10.20
Utd Engineers	17.40	17.10	17.40	17.40

London
FT-SE 100: 3658.20 Previous: 3632.30

	High	Low	Close	Prev.
Abbey Natl	5.66	5.58	5.62	5.61
Allied Domecq	4.30	4.22	4.26	4.22
Anglian Water	5.40	5.25	5.27	5.30
Arjo Wiggins	1.77	1.74	1.75	1.77
Asda Group	6.80	1.14	1.14	1.16
Assoc Br Foods	3.98	3.96	3.96	4
BAA	5.02	4.94	5.01	4.93
Barclays	7.90	7.68	7.77	7.82
Bass	8.10	7.98	8	8.04
BAT Ind	5.05	4.87	4.98	4.84
Bank Scotland	2.36	2.33	2.33	2.35
BICC	3.20	3.13	3.15	3.11
Blue Circle	3.62	3.52	3.53	3.56
BOC Group	9.31	9.17	9.19	9.27
Boots	5.63	5.52	5.62	5.55
Rexam	3.63	3.54	3.55	3.58
BPB Ind	3.42	3.38	3.39	3.56
Brit Aerosp	9.52	9.33	9.48	9.31
Brit Airways	5.17	5.06	5.10	5.12
Brit Gas	1.88	1.84	1.87	1.85
Brit Petm	5.97	5.85	5.92	5.85
Brit Steel	1.72	1.64	1.66	1.64
Brit Telecom	3.58	3.52	3.57	3.53
BTR	2.45	2.31	2.40	2.32
Burmah Cast	10.10	9.93	10	10.06
Cable Wireless	4.10	3.98	4.07	3.99
Cadbury Schw	4.98	4.90	4.95	4.93
Caradon	2.04	1.98	2.03	2.02
Carlton Comm	4.72	4.63	4.72	4.66
Coats Viyella	1.73	1.69	1.73	1.68
Comml Union	5.79	5.63	5.75	5.61
Courtaulds	4.24	4.14	4.15	4.20
De La Rue	6.06	5.95	6	6.07
Eng China Cl	2.53	2.37	2.45	2.54
Enterprise Oil	4.80	4.70	4.79	4.68
Forn Colonial	1.53	1.50	1.50	1.51
Genl Accident	6.27	6.20	6.20	6.22
GEC	3.67	3.58	3.66	3.58
GKN	10.32	10.20	10.20	10.27
Glaxo	8.80	8.70	8.78	8.65
Granada Gp	8.04	7.95	7.96	7.99
Grand Met	4.24	4.15	4.15	4.18
GRE	2.36	2.32	2.35	2.31
Guinness	4.72	4.63	4.68	4.64
GUS	6.42	6.26	6.30	6.31
Hanson	1.65	1.56	1.57	1.61
Hillsdown Hdg	1.73	1.71	1.71	1.70
HSBC Hldgs	9.93	9.86	9.91	9.89
ICI	7.97	7.90	7.97	7.89
Inchcape	2.88	2.83	2.85	2.84
Kingfisher	6.10	6.06	6.08	6.07
Ladbroke	1.83	1.80	1.80	1.80
Land Sec	6.15	6.08	6.13	6.10
Laporte	6.99	6.82	6.98	6.86
Lasmo	1.74	1.71	1.72	1.72
Legal Genl Grp	6.90	6.80	6.89	6.82
Lloyds Abbey	5.31	5.13	5.15	5.10
Lloyds TSB Gp	3.31	3.20	3.29	3.25
London Elec	6.25	5.90	5.97	5.92
Lucas Ind	2.15	2.09	2.09	2.12
Marks Spencer	4.72	4.65	4.67	4.66
MEPC	4.03	3.98	4.03	4
Mercury Asset	9	8.93	8.98	8.95
Midlands Elec	4.20	4.17	4.20	4.17
Natl Power	3.85	3.78	3.84	3.80
NatWest	6.22	6.12	6.19	6.14
News Intl	3.82	3.82	3.82	3.95
Utd Utilities	5.57	5.47	5.57	5.52
Nthern Foods	1.81	1.77	1.79	1.79
P&O	5.02	4.91	4.96	5
Pearson	6.39	6.27	6.35	6.19
Pilkington	1.91	1.86	1.89	1.84
PowerGen	4.88	4.83	4.85	4.86
Prudential	4.22	4.13	4.19	4.13
Rank Org	4.82	4.70	4.81	4.65
Reckitt Colm	6.64	6.58	6.63	6.58
Redland	4.06	3.93	4.01	4.02
Reed Intl	10.85	10.70	10.85	10.73
Rentokil	4.07	3.97	4.04	3.99
Reuters Hdgs	7.25	7.14	7.22	7.16
RMC Group	10.31	10.13	10.17	10.22
Rolls Royce	2.23	2.15	2.22	2.16
Royal Bk Scot	4.76	4.68	4.74	4.71
RTZ reg	9.01	8.87	8.96	8.93
Royal Insur	3.90	3.85	3.86	3.84
Safeway	3.28	3.22	3.28	3.23
Sainsbury	3.70	3.63	3.69	3.65
Schroders	13.05	12.95	13.05	12.95
Scot Newcastle	6.51	6.47	6.51	6.45
Scot Power	3.18	3.05	3.16	3.07
Sears	0.95	0.92	0.93	0.93
Severn Trent	5.35	5.27	5.30	5.30
Shell Trsp reg	9.26	9.16	9.22	9.18
Siebe	9.27	9.15	9.23	9.18
Smith Nephew	2.04	2.02	2.04	2.01
Smith (WH)	4.62	4.55	4.58	4.58
SmithKline	6.78	6.61	6.72	6.64
Smiths Ind	6.97	6.92	6.97	6.90
Sthern Elec	6.68	6.57	6.57	6.62
Stand Charter	6.52	6.40	6.51	6.45
Sun Alliance	3.66	3.60	3.61	3.61
Tate & Lyle	4.55	4.51	4.51	4.52
Tesco	2.87	2.81	2.85	2.78
Thames Water	5.62	5.47	5.55	5.56
Thorn EMI	17.25	16.90	17.19	16.99
3i Group	4.25	4.16	4.22	4.15
TI Group	5.44	5.28	5.44	5.26
Tomkins	2.57	2.46	2.55	2.52
Unilever	12.50	12.30	12.30	12.41
Utd Biscuits	2.23	2.19	2.19	2.20
Utd News	6.32	6.17	6.20	6.30
Vendome uts	6.04	5.96	6.01	5.97
Vodafone	2.25	2.18	2.23	2.19
Whitbread	7.18	7.13	7.18	7.18
Williams Hdgs	3.27	3.22	3.25	3.25
Wolseley	4.40	4.25	4.40	4.21
Zeneca	13.98	13.82	13.87	13.86

Madrid
Bolsa index: 354.09 Previous: 352.69

	High	Low	Close	Prev.
Acerinox	12300	11840	11890	11970
ACESA	1400	1355	1355	1380
Argentaria	5240	5110	5130	5120
BBV	5320	5260	5300	5250
Banesto	815	802	806	804
Bankinter	14220	14080	14100	14010
Bco Centro Hisp	2465	2440	2450	2435
Bco Exterior	2950	2850	2850	2850
Bco Popular	21790	21250	21370	21490
Bco Santander	5990	5910	5930	5860
CEPSA	4195	4160	4180	4130
Corp Mapfre	6140	5970	6000	6080
Dragados	1690	1670	1680	1670
Endesa	7490	7390	7400	7370
FECSA	943	933	940	929
Fomento Const	10240	10000	10200	9870
Gas Natural	25470	24700	24900	24630
Hidroel Cantab	4270	4195	4230	4230
Iberdrola	1205	1175	1185	1185
Pryca	3000	2950	3000	2965
Repsol	4240	4155	4155	4175
Sevillana Elec	1045	1010	1010	1030
Tabacalera	6790	6400	6530	6320
Telefonica	2165	2130	2145	2135
Union Fenosa	780	762	766	748
Valenc Cement	1370	1305	1365	1390

Manila
PSE Index: 3187.44 Previous: 3199.32

	High	Low	Close	Prev.
Ayala A	25.50	25.50	25.50	26
Ayala Land	48	47.50	47.50	47.50
Manila Elec A	115	113	113	113
Metro Bank	745	730	735	740
Petron	10.75	10.25	10.75	10.50
Phil Long Dist	1540	1530	1535	1530
San Miguel A	41.50	39	39.50	41
San Miguel B	87.50	87	87.50	86.50
SM Prime Hdg	6.80	6.70	6.80	6.70

Mexico
Bolsa index: 2998.27 Previous: 2944.39

	High	Low	Close	Prev.
Alfa A	32.10	31.05	31.95	31.00
Cemex B	28.50	27.15	28.20	27.50
Cifra C	10.50	10.20	10.50	10.26
Empresas ICA	104.00	101.00	103.80	101.00
Emp Moderna	31.50	31.30	31.35	31.30
Femsa	20.50	20.00	20.25	20.00
Gpo Carso A1	50.40	49.00	49.60	49.70
Televisa CPO	98.50	96.00	98.40	96.00
TelMex L	11.84	11.58	11.72	11.58
Tribasa	15.20	14.90	15.08	15.70

Milan
MIB Telematico: 9822.00 Previous: 9711.00

	High	Low	Close	Prev.
Alleanza Assic	12900	12350	12750	12350
Bca Comm Ital	2950	2880	2930	2850
Bca Naz Agricol	840	820	830	825
Bca Naz Lavoro	10950	10800	10950	10820
Bca di Roma	1352	1320	1320	1340
Bco Ambrosiano	4090	3940	3940	3850
Benetton	19080	18700	18780	18610
Credito Italiano	1690	1647	1659	1633
Fiat	4900	4780	4810	4800
Fondiaria	6850	6640	6850	6600
Generali Assic	35150	34700	35000	34350
IFIL	4375	4170	4225	4180
Italcementi	11180	11000	11000	10950
Italgas	5280	5110	5230	5125
Mediobanca	8990	8770	8800	8650
Montedison	814	781	798	790
Olivetti	833	780	780	821
Pirelli	2415	2340	2415	2330
RAS	14900	14500	14740	14500
Rinascente	10490	10300	10310	10150
S Paolo Torino	9145	8960	9025	9005
SME	2250	2230	2250	2250
Standa	N.T.	N.T.	N.T.	16000
Stet	4825	4700	4750	4680
Telecom Italia	2990	2890	2960	2850
Toro Assic	17500	17250	17295	17150

Montreal
Industrials Index: 2414.35 Previous: 2381.13

	High	Low	Close	Prev.
Alco I	19¼	19.15	19.20	19.05
Bank Montreal	32.95	32.65	32.70	32¾
Bce Mob Com	44	43.95	43.95	44
Cdn Tire A	17.10	16¾	17.10	17.15
Cdn Util A	27.40	27¼	27.35	27.15
Cascades	5.70	5.65	5.65	5.65
CT Finl Svc	N.T.	N.T.	N.T.	26
Extendicare	15¼	15.05	15.05	16
Gaz Metro	15.40	15.20	15.35	15.20
Gt-West Lifeco	34	33½	34	33.95
Hees Intl Bcp	16	15¾	16	15.95
Hudsons Bay	19¾	19.70	19¾	19¾
Imasco	27.40	26.80	27.15	27.15
Investors Grp	17.45	17.20	17.20	17.10
Loblaw Cos	11.65	11.65	11.65	11.55
Molson A	21.80	21¾	21.80	21.15
Natl Bk Canada	11¼	11.20	11½	11.20
Oshawa A	20.85	20.80	20.80	20.85
Pancdn Petlm	52.40	52.30	52.40	52.60
Power Corp	21¾	21½	21½	21.65
Power Finl	37½	37.15	37½	37.20
Quebecor B	20¾	20.60	20.70	20.70
Rogers Comm B	11.90	11.80	11.85	11.90
Royal Bk Cda	33.80	32.40	33.70	33.55
Sears Canada	7¾	7½	7.60	7.55
Shell Cda A	46.45	46.10	46.45	47.05
Southam	16	15.90	16	16
Stelco A	6.15	6.15	6.15	5.95
Trilon Finl A	5¼	5¼	5¼	5.20

Oslo
OBX Index: 449.18 Previous: 450.81

	High	Low	Close	Prev.
Aker A	129	126.50	128	127
Bergesen Dy B	123	121	123	121
Christiania Bk	15.70	15.40	15.60	15.50
Den norske Bk	19.70	19.50	19.60	19.60
SAS Norge ASA	68.50	68	68	69
Dyno Indust	140	139	140	135
Elkem	91.50	89	90	91
Hafslund A	48.50	47	48.50	48
Kvaerner	278	271	273	280
Leif Hoegh	110	108	108	109
Norsk Hydro	304	299	300	301
Norske Skog A	204	200	201	204
Orkla	335	325	333	328
Rieber B	135	131.50	135	132.50
Saga Petim B	88	86	88	86.50
Schibsted	85.50	84.50	85	83.50
UniStorebr A	31	30.60	30.80	30.90

Paris
CAC-40: 1995.11 Previous: 1989.51

	High	Low	Close	Prev.
Accor	690	674	674	680
AGF	135.30	131.80	133	133.80
Air Liquide	894	879	894	882
Alcatel Alsth	415.90	409	409.50	407
Axa	275.90	268.70	271.90	272
Bancaire	555	545	547	549
BNP	182.50	179	179.50	181
Bouygues	540	526	531	536
Canal Plus	1164	1140	1144	1150
Carrefour	2680	2647	2647	2649
CCF	239	234.60	236.50	235.40
Credit Local cl	444	435.10	436.80	443
Credit Lyon PC	135	131	132.30	132.10
Crown Cork Seal	220	212	217	220
Danone	768	758	761	759
Elf-Aquitaine	358.70	354	357	355.30
Eridania BS	721	708	713	700
Euro Disney	13.60	13.20	13.45	13.40
Eurotunnel uts	8.75	8.55	8.60	8.75
Gen. Eaux	521	511	519	510
Havas	361	356	356.60	355.90
Lafarge Cop	308.30	301	302.60	304.70
Legrand	825	803	807	813
L'Oreal	1550	1520	1523	1515
LVMH	1163	1143	1154	1136
Lyon. Eaux	457	452.50	454.20	452.50
Michelin B	239	237.30	237.60	237.50
Navig Mixte	754	753	754	754
Paribas A	303.90	298	300.60	299.30
Pechiney SA	206	201.10	205.50	205
Pernod Ricard	315.70	310	312.50	312.80
Peugeot Cit	614	604	607	611
Pinault-Print	1601	1571	1580	1583
Promodes	1344	1307	1308	1322
Renault	121.30	114.20	115.80	120
Rh-Poulenc A	128	124.60	125	125.50
Roussel-Uclaf	1160	1145	1151	1140
Sanofi	383	373.60	380	372.10
Schneider	240.50	237	238.30	237.40
Ste Generale	569	557	564	558
St Gobain	645	628	630	638
St Louis	1327	1300	1309	1327
Suez	177.80	173	175	176
Thomson CSF	132.40	129.30	130	129.60
Total B	363	358.20	361	360
UAP	102.80	100.50	101.20	98.50
Valeo	270.60	263.60	264.10	269

São Paulo
Bovespa index: 62393.00 Previous: 61339.10

	High	Low	Close	Prev.
Bco Brasil Pfd	10.50	9.40	9.51	9.65
Banespa Pfd	3.70	3.55	3.55	3.60
Bradesco Pfd	8.10	8.00	8.00	7.80
Brahma Pfd	630.00	625.00	625.00	628.00
Cemig Pfd	28.50	27.80	27.80	28.10
CESP Pfd	31.00	30.70	30.70	30.50
Eletrobras B	293.00	283.00	291.00	279.00
Itaubanco Pfd	406.00	400.00	403.00	400.00
Light	275.01	273.00	273.00	271.00
Paranapan Pfd	7.00	6.40	6.50	6.95
Petrobras Pfd	119.50	115.01	116.00	116.00
Sid Nacional	24.70	24.20	24.39	24.50
Souza Cruz	8.20	8.15	8.15	8.20
Telebras Pfd	79.10	75.30	75.60	73.70
Telesp Pfd	214.00	204.00	205.00	206.80
Usiminas Pfd	1.10	1.08	1.08	1.07
CVRD Pfd	18.70	18.15	18.15	18.10

Market Closed

The stock market in Seoul was closed Wednesday for a holiday.

Singapore
Straits Times: 2204.03 Previous: 2179.45

	High	Low	Close	Prev.
Cerebos Pac	12.50	12.40	12.50	12.40
City Devits	10.60	10.40	10.40	10.40
Cycle Carriage	14	13.40	13.50	13.30
Dairy Farm Int*	0.84	0.83	0.83	0.84
DBS	9.30	9.25	9.25	9.25
DBS Land	4.60	4.54	4.56	4.56
Fraser & Neave	15.10	14.60	14.90	14.50
HK Land*	2.24	2.21	2.22	2.24
Hong Leong Fin	3.72	3.72	3.72	3.76
Jard Matheson*	6.85	6.85	6.85	6.85
Jard Strategic*	3.14	3.08	3.10	3.06
Keppel	11.10	10.80	10.90	10.90
Natsteel	2.54	2.50	2.51	2.51
Neptune Orient	1.41	1.36	1.40	1.34
OCBC foreign	16.20	15.90	16	16.10
OSea Union Bk	6.70	6.65	6.65	6.70
Sembawang	6.50	6.25	6.50	6.15
Sing Airlines F	14.50	14.30	14.50	14.20
Sing Petm	N.T.	N.T.	N.T.	1.71
Sing Press F	26.70	26.50	26.60	26.70
ST Auto F	N.T.	N.T.	N.T.	2.87
ST Ship	2.29	2.28	2.29	2.30
Sing Telecomm	3.56	3.48	3.52	3.50
Straits Steam	4.66	4.60	4.64	4.60
Utd Industrial	1.41	1.39	1.40	1.41
Utd O'Sea Bk F	12.80	12.50	12.60	12.50
Wing Tai Hdgs	2.91	2.83	2.84	2.85

*: in U.S. dollars.

Stockholm
SX 16 Index: 1955.86 Previous: 1956.03

	High	Low	Close	Prev.
AGA BF	110.50	105	108	111
ABB AF	717	707	708	708
AssiDoman F	155	153	155	154
Astra AF	273	266.50	271	268.50
Atlas Copco AF	120.50	118.50	120	119
Avesta F	61	60	60	60
Electrolux BF	344	337	341.50	338.50
Ericsson BF	131	127	128.50	129.50
Hennes BF	645	630	630	637
Incentive AF	348	342	346	347
Investor BF	237.50	235	236	236
Kinnevik BF	183	180	181	182
MoDo BF	172	169.50	170	170
Sandvik BF	149	146.50	147.50	147.50
SCA BF	142	139	141.50	141
S-E Banken AF	55	54	54	54
Skandia Fors F	166	163.50	165	164
Skanska BF	231.50	229	230.50	230.50
SKF BF	149.50	145	146.50	146
SSAB BF	86.50	85	85.50	85
Stora AF	90.50	87.50	88	89.50
Sv Handles AF	133.50	131	131.50	132
Sydkraft AF	148	144	147	143
Trelleborg BF	82.50	81	81.50	81
Volvo BF	140	137.50	140	140

Sydney
All Ordinaries: 2096.10 Previous: 2100.60

	High	Low	Close	Prev.
Amcor	8.21	7.97	7.99	8.12
ANZ Bkng	6.01	5.85	5.90	5.94
BHP	16.29	15.90	15.98	16.02
Boral	3.04	2.99	3	3.01
Brambles Ind.	17.15	17.05	17.13	17.07
Burns Philp	2.09	1.99	1.99	2.08
CBA	10.05	9.96	10.01	9.93
CC Amatil	13.80	13.55	13.55	13.52
Coles Myer	4.44	4.37	4.40	4.38
Comalco	6.95	6.75	6.80	6.85
CRA Ltd	17.66	17.39	17.38	17.35
CSR	4.19	4.06	4.10	4.13
Fosters Brew	2.08	2.03	2.04	2.07
GIO Australia	2.92	2.84	2.87	2.84
Goodman Fld	1.23	1.21	1.21	1.21
ICI Australia	10.55	10.35	10.35	10.51
John Fairfax	2.55	2.50	2.50	2.52
Lend Lease	18.53	18.25	18.40	18.25
Mayne Nickless	7.28	7.11	7.14	7.20
MIM Hdgs	1.54	1.49	1.50	1.51
Nat Aust Bank	11.35	11.17	11.19	11.27
News Corp	6.93	6.65	6.68	6.86
North Ltd	3.51	3.32	3.38	3.45
Pacific Dunlop	2.75	2.65	2.66	2.73
Pioneer Intl	3.55	3.52	3.55	3.49
Placer Pacific	1.58	1.52	1.54	1.56
Santos	4.47	4.42	4.42	4.40
Southcorp	3	2.96	2.97	2.95
Westarmers	7.35	7.25	7.25	7.25
Wstrn Mining	8.44	8.26	8.27	8.25
Westfield Trt	2.32	2.29	2.29	2.29
Westpac Bking	5.35	5.24	5.30	5.27
Woodside Pet	7.56	7.44	7.51	7.42
Woolworths	2.84	2.72	2.75	2.75

Taipei
Stock Market index: 6182.73 Previous: 5955.50

	High	Low	Close	Prev.
Asia Cement	50.50	49	50.50	49
Cathay Life Ins	179	170	178	170
Chang Hwa Bk	149	142	148	142.50
China Steel	27.20	25.90	27.20	26
China Trust	52	48.50	51.50	48.90
Evergreen	51.50	50	51.50	50
Far East Text	31.30	30.30	31.10	30.20
First Bank	150	143.50	149.50	144
Formosa CF	34.60	33	34.20	33
Hua Nan Bk	133	127	133	127
Hualon Teijran	23.80	23	23.60	23.80
ICBC	87	83.50	87	83
President Ent	48.20	47	48.20	46
Taiwan Cemt	59	56.50	58.50	57
Tatung	60	58	60	58

Tokyo
Nikkei 225: 21412.88 Previous: 21486.35

	High	Low	Close	Prev.
Ajinomoto	1260	1240	1250	1240
All Nippon Air	1140	1120	1120	1120
Asahi Bank	1230	1210	1220	1210
Asahi Chem	745	739	742	745
Asahi Glass	1280	1250	1260	1270
Bk Tokyo Mitsu	2320	2280	2310	2290
Bk Yokohama	940	932	937	935
Bridgestone	2050	1980	1990	2040
Canon	2070	2030	2070	2010
Chiba Bank	920	905	906	910
Chubu Elec	2410	2390	2400	2370
Chugoku Elec	2360	2340	2350	2340
Daiei	1280	1250	1260	1280
Daiichi Kang	1840	1810	1820	1820
Daiwa Bank	726	716	716	716
Daiwa House	1670	1640	1660	1670
Daiwa Sec	1300	1260	1280	1280
Fanuc	4140	4050	4050	4140
Fuji Bank	2180	2140	2170	2140
Fuji Photo	3390	3290	3330	3290
Fujitsu	983	975	975	976
Hitachi	995	981	981	984
Honda Motor	2680	2630	2640	2710
IBJ	2540	2490	2510	2490
IHI	512	501	504	511
Itochu	740	719	726	730
Ito-Yokado	6590	6500	6520	6600
JAL	909	870	877	905
Jusco	3550	3530	3540	3540
Kajima	1060	1040	1050	1030
Kansai Elec	2400	2380	2400	2380
Kao	1450	1420	1430	1440
Kawa Steel	377	373	375	378
KDD	10900	10600	10900	10700
Kinki Nipp Ry	780	777	777	778
Kirin Brewery	1300	1270	1270	1290
Kobe Steel	293	289	290	290
Komatsu	1020	1000	1010	1020
Kubota	709	691	694	696
Kyocera	7380	7300	7360	7370
Kyushu Elec	2420	2400	2410	2400
LTCB	786	780	786	783
Marubeni	575	565	572	565
Marui	2340	2310	2320	2330
Matsu Elec Ind	1950	1910	1930	1940
Matsu Elec Wk	1140	1120	1130	1130
Mitsubishi	1430	1400	1410	1420
Mitsubishi Ch	499	490	491	495
Mitsubishi El	732	713	715	730
Mitsubishi Est	1460	1430	1440	1450
Mitsubishi Hvy	917	905	912	912
Mitsubishi Mat	933	926	929	934
Mitsubishi Tr	1810	1770	1780	1780
Mitsui	979	968	971	979
Mitsui Fudosn	1400	1380	1400	1390
Mitsui Trust	1220	1200	1220	1210
Murata Mfg	3770	3770	3770	3810
NEC	1160	1140	1150	1140
New Oji Paper	933	925	929	940
Nikko Sec	1130	1090	1100	1110
Nintendo	7400	7200	7250	7450
Nipp Credit Bk	400	399	399	399
Nipp Express	1020	1000	1000	999
Nippon Oil	705	697	700	700
Nippon Paper	680	663	668	675
Nippon Steel	350	344	348	344
Nippon Yusen	619	604	610	612
Nippondenso	2260	2240	2260	2240
Nissan Motor	912	887	892	912
NKK	302	297	300	300
Nomura Sec	1970	1910	1930	1960
NTT	7930a	7820a	7860a	7900a
Obayashi	940	922	924	928
Odakyu El Ry	726	720	725	716
Ono Pharm	3680	3640	3680	3650
Osaka Gas	382	378	380	378
Ricoh	1110	1090	1090	1090
Sakura Bk	1140	1120	1140	1110
Sankyo	2900	2810	2840	2840
Sanwa Bank	1850	1830	1850	1810
Sanyo Elec	625	613	614	621
Secom	6950	6850	6860	6940
Seibu Rwy	5770	5530	5530	5570
Sekisui House	1240	1230	1240	1230
Seven-Eleven	6950	6860	6910	6940
Sharp	1790	1770	1780	1770
Shimizu	1150	1130	1140	1120
Shin-etsu Ch	1990	1960	1970	1960
Shizuoka Bk	1330	1310	1330	1290
Sony	7010	6870	6900	6990
Sumitomo	986	977	977	975
Sumitomo Bk	2020	2000	2010	1990
Sumit Chem	522	516	520	521
Sumitomo Elec	1530	1490	1490	1520
Sumit Metal	310	308	308	307
Sumit Trust	1400	1380	1390	1380
Taisei	730	717	726	721
Taisho Pharm	2330	2250	2330	2260
Takeda Chem	1940	1910	1930	1920
TDK	5930	5750	5810	5900
Tohoku El Pwr	2400	2380	2390	2380
Tokai Bank	1330	1310	1320	1310
Tokio Marine	1350	1330	1330	1330
Tokyo El Pwr	2710	2680	2690	2680
Tokyo Gas	379	370	374	375
Tokyu	792	781	786	776
Tonen	1550	1530	1530	1520
Toppan Print	1540	1500	1510	1530
Toray Ind	731	726	728	726
Toshiba	733	718	720	735
Toyo Seikan	3670	3580	3670	3570
Toyo Trust	1060	1030	1060	1050
Toyota Motor	2610	2550	2570	2610
Yamaichi Sec	705	687	691	710
Yamanouchi	2330	2290	2300	2320
Yasuda Fire	778	768	773	763
Yasuda Trust	645	635	641	639

a: x 100

Toronto
TSE Industrials: 4940.08 Previous: 4920.59

	High	Low	Close	Prev.
Abitibi Price	17.80	17.40	17¾	17.40
Air Canada	4.55	4½	4.55	4.55
Alberta Energy	26.20	25¾	25.95	25.85
Alcan Alum	40.65	40	40.40	40.30
Avenor A	23½	22.70	23½	22.90
Bk Nova Scotia	32.40	32.05	32.30	32.05
Barrick Gold	36.35	35.55	35.60	36
BCE	55¼	54.85	55	55.05
BC Telecomm	26.80	26.60	26.80	26.60
Bombardier B	18.20	18	18.20	18
Brascan A	24.70	24¼	24.60	24.35
Cameco	63¼	62¾	62.80	62¾
CIBC	44.90	44.45	44.90	44.65
Cdn Airlines	2.65	2½	2.60	2.55
Cdn Nat Res	26¾	26.35	26½	26.80
Cdn Occid Pet	22.70	22.20	22.20	22.80
Cdn Pacific	28.55	28.15	28.45	28.20
Cominco	28½	27½	28½	28
Consumers Gas	21	20.90	21	20.90
Dofasco	20.10	19.65	20	19¾
Doman Ind B	9.60	9¼	9.60	9.60
Du Pont Cda A	30½	29¾	29¾	30¼
Echo Bay Min	13.65	13.10	13.10	13.55
Empire Co. A	N.T.	N.T.	N.T.	12¾
Falconbridge	28¼	28	28.10	28.30
Fletcher Chall A	18¾	18.35	18.35	18.85
Franco Nevada	42	41	41	41.30
Guardian Cap A	8.90	8.90	8.90	8.90
Hemlo Gold	16.15	15½	15.85	14.60
Horsham	18	17.65	17.70	17.85
Imperial Oil	56¾	55.55	56¾	56
Inco	42	41	41.40	41.40
IPL Energy	35¾	35.05	35.40	35.05
Laidlaw A	12.65	12½	12.65	12.35
Laidlaw B	12.80	12.45	12.80	12½
Loewen Group	39¾	38.80	39¾	39
Ldn Insur Gp	29.05	29	29.05	29.05
Macmill Bldl	18.05	17¾	18.05	17.80
Magna Intl A	60½	59½	60	59
Maple Leaf Fds	7.05	6.95	7.05	6.85
Moore	26½	26	26½	26.30
Newbridge Net	76.20	72.05	74.70	71
Noranda Inc	27.20	26.90	27	27
Noranda Forest	8.80	8.70	8.70	8.70
Norcen Energy	23.90	23.80	23.90	23.80
Nthern Telecom	71.30	68.10	70.90	68.85
Nova	12.30	12.10	12.30	12¼
Onex	14.20	14.15	14.15	14.20
Placer Dome	31.15	30.05	30.20	30.80
Potash Sask	92.10	91¾	91.95	91¾
Provigo	7¼	7.20	7.20	7¼
Quebecor Print	22.55	22.30	22.30	22½
Renaissance	37¾	36.65	37.20	37½
Rio Algom	25.95	25½	25¾	25.95
Seagram Co	45	44.05	44.30	44.70
Stone Consold	16.10	15¾	16	15.80
Talisman Eny	34¼	33.80	34.10	33.90
Teleglobe	22¾	22	22½	22
Telus	19¾	19.10	19¼	19.35
Thomson	22.30	21.85	22.10	22.20
TorDom Bank	24.15	23.85	24	23.90
Transalta	15.05	14.95	15	14.95
TransCda Pipe	21¼	21.05	21¼	21.20
Utd Dominion	30.60	29½	30¼	30.35
Westburn	9.70	9.70	9.70	9¾
Westcoast Eny	21.20	21	21.10	21.10
Weston	47½	47	47½	47½

Vienna
ATX Index: 1036.50 Previous: 1031.00

	High	Low	Close	Prev.
Aust Airlines	1600	1600	1600	1610
Brau-Un Goess	630	619	622	620
Bund Vers Pfd	403	403	403	400
Creditanst Pfd	503.40	497.30	501	492
EA-Generali	2960	2870	2940	2900
EVN	1461	1440	1450	1434
Interunfall	1480	1480	1480	1293
Lenzing	677	666	677	669
Leykam	296	290	290	286
Mayr-Melnhof	472	468	469	470
OMV	1028.50	1013	1017	1020
Oest Brau	625	620	625	626
Oest Elektriz	795	791.50	791.50	794
VA Tech	1327	1316	1322	1316
Wienerberger	2015	1975	1975	1989

Wellington
NZSE-40 Index: 2065.25 Previous: 2061.27

	High	Low	Close	Prev.
Air N Zeald B	3.15	3.10	3.10	3.08
Brierly Invt	1.39	1.36	1.37	1.36
Carter Holt ord	3.32	3.27	3.28	3.29
Fernz	4.55	4.53	4.53	4.50
Fisher Paykel	4.55	4.55	4.55	4.54
FC Forest	1.69	1.68	1.69	1.68
Goodman Fder	1.40	1.39	1.40	1.39
Indep News	5.00	5.00	5.00	5.00
Lion Nathan	3.68	3.65	3.65	3.65
Nat Gas note	1.98	1.96	1.96	1.97
NZ Refining	N.T.	N.T.	N.T.	26.20
Telecom NZ	6.20	6.14	6.16	6.13
Wilson Horton	9.35	9.35	9.35	9.35

Zurich
SPI Index: 2348.85 Previous: 2359.27

	High	Low	Close	Prev.
Adia B	286	282	282	285
Alusuisse R	990	980	986	987
Ares-Serono B	1045	1008	1045	1082
Baloise Hdg R	2610	2560	2560	2620
ABB B	1500	1480	1482	1495
BK Vision	1510	1490	1490	1515
Bobst B	1730	1720	1730	1748
Ciba Geigy R	1500	1486	1492	1493
CS Holdings R	126.75	125.75	126.25	126.75
Elektrowatt B	459	455	455	460
Fischer B	1340	1305	1330	1325
Hilti PC	905	900	900	900
Holderbank B	947	941	945	941
Jul. Baer Hdg B	1340	1330	1335	1335
Merkur Hdg R	234	232	233	234
Nestle R	1432	1406	1405	1430
Oerlikon R	116	115	115.50	117
Pargesa Hld B	1410	1405	1405	1400
PharmVisn B	5740	5680	5700	5700
Pirelli B	154	150	150	153
Roche Hdg PC	9380	9310	9330	9360
Sandoz R	1412	1395	1400	1407
SBC R	239.75	237.50	239	238.25
Schindler B	1270	1250	1260	1280
SGS B	2800	2730	2730	2720
SMH B	840	825	825	836
Sulzer R	767	748	759	767
Swiss Reins R	1235	1218	1220	1231
Swissair R	1170	1140	1140	1175
UBS B	1238	1221	1228	1234
Winterthur R	747	740	745	746
Zurich Assur R	331	325	325	331

NYSE

Wednesday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 16

ASIA/PACIFIC

Fujitsu Group Plans Massive Memories

Computer Disk to Challenge Toshiba

Reuters

TOKYO — *Fujitsu Ltd. and* seven other companies said Wednesday they would develop a powerful computer memory disk with massive storage capacity as early as next year, challenging a memory system soon to be launched by a rival group.

A Fujitsu spokeswoman said the palm-size memory disk would have greater storage capacity and be more computer friendly than digital video disks, which will be launched in the United States and Japan later this year by a group of companies including Toshiba Corp. and Matsushita Electric Industrial Co.

Digital video disks, dubbed the most lucrative consumer product since audio compact disks or videocassette recorders, are 5-inch (12.7-centimeter) optical disks that can store up to 4.7 gigabytes of read-only data or 133 minutes of film and sound. The rewritable version suitable for computer memories will be launched sometime in 1998, with storage capacity of about 2.6 gigabytes.

The companies in the digital video camp are betting that the huge storage capacity will eventually make videocassette recorders, compact disk players and compact disk read-only memories obsolete.

But the Fujitsu spokeswoman said her company's new, competing system, which is based on magneto-optical diskswill have up to 7 gigabytes of rewritable data.

"Our system is more computer friendly because of larger storage capacity, *faster access speed and unlimited capacity for rewriting data*," she said. "The two systems, with different strength, would coexist."

Fujitsu's group — which also includes Sony Corp., Philips Electronics NV, Hitachi Ltd., Hitachi Maxell Ltd., Sharp Corp., Mitsubishi Electric Corp. and Olympus Optical Co. — will finalize the magneto-optical format by the end of December.

They refused to comment on the *timing of a sales* schedule, but a spokesman for one company said the launch was possible next year.

Small magneto-optical disks, with about 650 megabytes of capacity, are already used as memory devices in personal computers. Improved laser technology will enable *denser packing of data, a Sony* spokesman said.

But many analysts said digital video disks would beat magneto-optical disks in versatility and easy compatibility with CD-ROMs.

Magneto-optical disks "can be used as an option for memory-hungry *PC users," said Kiyotaka* Teranishi, an analyst at Nomura Research Institute. "But the mainstream memory system would be DVDs."

Toshiba, which played a major role in the development of the unified digital video disk format, was cool to the *magneto-optical technology*. The complicated mechanical structure of the new device would make production costs high, a Toshiba spokesman said.

Meanwhile, Fujitsu also said Wednesday that it would cut output of four-megabit and 16-megabit *dynamic random-access* memory chips by 20 percent in August because of sluggish demand.

New Mongolia's First Steps

Bloomberg Business News

ULAN BATOR, Mongolia — A TV political advertisement shown here a few weeks ago depicted a cartoon horse tethered on Mongolia's vast grasslands. Along came a young herdsman who snapped the rope, sprang onto the horse and galloped off.

That is the kind of image that resonates deeply in the nation that bred Genghis Khan's 13th-century horde of conquering horsemen. A third of the 2.4 million people here are still nomadic herders.

It also is the sort of imagery that persuaded voters last month to toss out the Mongolian People's Revolutionary Party — the successor to the Communist Party that ran Mongolia for 75 years — and elect a group of young free-market advocates.

If officials expect foreign investors to rush in and smooth the transition to capitalism, they are likely to be disappointed.

The reformers will take their seats in Parliament on Thursday. Their agenda includes raising prices of gasoline and electricity — which the former government *delayed doing so as not to alienate voters* — as well as selling state-run companies and closing unprofitable ones, which means tens of thousands of jobs could be lost in a nation where one worker in 10 already is unemployed.

These changes will be unpopular, and as in Russia, the new government could face a backlash from voters. A free market could mean opportunities for foreign *investors, especially mining companies. But if the* country's new officials expect foreign investors to rush in and smooth the transition to capitalism, they are likely to be disappointed.

Mongolia's tiny population is "small beer at the moment," said Richard Graham, head of the Shanghai office of ING Barings Securities International Ltd., and the 430 companies traded on the Mongolian *Stock Exchange, which opened only a year ago, are* of little interest to outside investors as yet.

It is "much too early to talk about foreign funds" buying these stocks, Mr. Graham said. "The market capitalization of most companies is only a few thousand dollars."

The Mongolian economy did grow 6.3 percent last year, after a 20 percent drop between 1991 and 1994 as the Soviet Union's collapse dried up its main source of aid. But there is trouble ahead. For example, copper accounted for half of Mongolia's exports last year — but this year, copper prices have dropped by almost a third, largely because of the market collapse that followed the scandal over $1.8 billion in losses on unauthorized trades at Sumitomo Corp.

"Mongolia is one of the biggest victims in this scandal," said Isao Tanaka, general manager of the Ulan Bator office of Itochu Corp., a major buyer of Mongolian copper and its other big export, cashmere, the fine goat's wool used to make expensive coats and sweaters. Cashmere prices also have fallen by a third as China, the world's biggest producer, has stepped up its output. All of this means that Mongolia's new leaders will need to be fast learners. Only two of the 50 members of Parliament just elected from the four-party Democratic Coalition have held office before, and the former Communists still have substantial representation, at 25 of the 76 seats. Most cabinet members are likely to be around 35 years old, which could make this one of the youngest governments in the world.

Likely to get the crucial post of finance minister is Rinchinnyamin Amarzhargal, 35, the rector of Ulan Bator's economics college and one of only a handful of Mongolians with a Western degree — a master's degree in development economics from Bradford University in England.

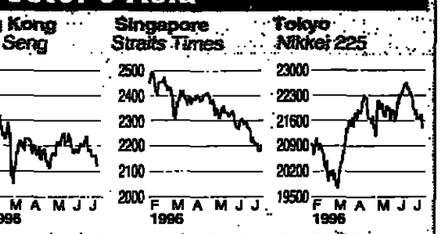
They inherit an economy of which only one-fifth is in private hands. "We will reverse that," Mr. Amarzhargal pledged.

To lure foreign investors, the new prime minister said, they "should be able to take majority control, even 100 percent" of Mongolian companies — rare in developing nations, which prefer to keep big chunks of their economies in government hands.

Only Mongolia's crucial energy system will be off limits. Open to investment, he said, will be telecommunications, railways and gold, copper and uranium mining. Foreigners have invested $115 million into Mongolia in the last six years — a small amount even for an economy with an annual gross domestic product of about $1 billion, less than the sales of even a medium-sized company in a developed nation.

"Only foreign investors can save Mongolia," said Bat-Erdeniyn Batbayar, chairman of the Social Democrats. "We must do everything to attract them."

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,569.10	10,626.00	-0.18
Singapore	Straits Times	2,204.93	2,179.45	+1.13
Sydney	All Ordinaries	2,095.10	2,109.60	-0.21
Tokyo	Nikkei 225	21,412.88	21,406.35	+0.03
Kuala Lumpur	Composite	1,126.90	1,123.77	+0.24
Bangkok	SET	1,172.39	1,181.05	-0.73
Seoul	Composite Index	Closed	812.66	
Taipei	Stock Market Index	6,182.73	5,956.56	+2.47
Manila	PSE	3,187.56	3,199.32	-0.36
Jakarta	Composite Index	676.27	673.33	+0.51
Wellington	NZSE-40	2,065.25	2,061.27	+0.19
Bombay	Sensitive Index	3,722.24	3,644.93	+2.12

Source: Telekurs International Herald Tribune

Very briefly:

• **National Mutual Holdings Ltd.**, the Australian life insurer, is making a public offering of about 1.2 billion Australian dollars ($949.2 million) worth of shares to policyholders and the public. The exact value of the 833 million shares has not been set; they are to begin trading Oct. 8.

• **Chinatrust Commercial Bank**, one of Taiwan's biggest private banks, plans to spend $400 million to establish a securities operation; Chinatrust said it would probably look for an international partner with experience in the industry.

• **Compagnie de Saint Gobain** of France is to set up a $160 million glass plant in India's Tamil Nadu state, mainly to supply glass to automakers.

• **China's** consumer price index rose 8.6 percent in June from a year ago, compared with an 8.9 percent rise in May. Last week, Beijing reported that the retail price index, which excludes utilities and services, rose just 5.9 percent in June.

• **Seven Network Ltd.'s** chief operating officer, Chris Chapman, resigned; the Australian broadcaster did not say why.

• **Bayerische Motoren Werke AG** has received approval from the Indian government to set up a car factory with the Hero Group of India. *Bloomberg, AFX*

MIM to Add Copper Output

Bloomberg Business News

BRISBANE, Australia — MIM Holdings Ltd. said Wednesday it would spend 500 million Australian dollars ($395.5 million) over three years developing a copper mine at Mount Isa in Queensland state and increasing its copper-smelting capacity.

"This program will ensure that Mount Isa plays a major role in MIM's expansion of copper production into the next century," said Nick Stump, MIM's chief executive.

He said the expansion would be financed by selling unspecified offshore investments.

At Mount Isa, MIM operates one of the world's biggest underground complexes for mining base metals. The mine produces copper, lead and zinc as well as small amounts of silver.

MIM said 290 million dollars of the 500 million dollars would be spent on developing a mine, the Enterprise, described by MIM as a "mine within the existing mine."

An analyst said the new ore bodies were of a higher grade than the ore now being mined, though this was offset by the fact that they are deeper underground, increasing the costs of mining.

Beijing Drafts Tax Breaks for Its Brewers

Bloomberg Business News

BEIJING — Tsingtao Brewery Co. and several other Chinese beermakers may soon receive tax breaks and other preferential treatment to help them fend off foreign competition, a government official said Wednesday.

"Tsingtao is at the top of the list," said Zhang Dongli, an assistant to Fu Limin, deputy director of China's Light Industry Council.

He said Tsingtao and nine other large brewery concerns may be eligible for a reduction of taxes to put them on an equal basis with foreign-backed joint ventures in China.

Mr. Zhang said the State Council, China's cabinet, was "overhauling foreign-investment policies in different industries" and hoped to reach its decisions on the brewing industry by Sept. 30.

The policy changes will amount to a "fine-tuning," rather than a major shift, according to Wang Yungui, a researcher at the Institute of Foreign Economic Cooperation under the State Planning Commission.

"The policy of reform and opening to the outside world as a whole will not change," Mr. Wang said.

He declined to give details, but he said there had been growing concern that many foreign companies had majority stakes in Chinese enterprises producing consumer goods such as detergents, beer, soft drinks and pharmaceuticals and said foreign companies would not be allowed to hold majority stakes in more strategic industries.

Any changes Beijing makes to its foreign-investment policies could complicate its bid to enter the World Trade Organization. WTO members want to see a commitment by Beijing to reduce barriers to market access and normally oppose new policies aimed at limiting foreign penetration of its market.

LUXOR INVESTMENT COMPANY
Société d'Investissement à Capital Fixe
10A, Boulevard Royal, Luxembourg
R.C Luxembourg B 27.109

NOTICE OF MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of LUXOR INVESTMENT COMPANY will be held at the registered office at Luxembourg, 10A, Boulevard Royal, on:

July 29, 1996 at 2.00 p.m.,

for the purpose of considering the following Agenda:

- To recast the Articles of the Company

The Article 1 will read as follows:
"There is hereby established on a "Société d'Investissement à Capital Variable" (Sicav), governed by the law of 30th March, 1988 regarding collective investment undertakings, under the name of "Luxor Investment Company" (hereinafter called "the Company")."

. . . . .

The General Meeting shall be regularly constituted and shall validly deliberate on the resolutions if a quorum of shareholders representing one half of the shares outstanding is present or represented. Resolutions must be passed by an affirmative vote of two thirds of the shares present or represented at such meeting.

The shareholders on record on the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company not later than twenty-four hours before the meeting.

The present notice and a form of proxy have been sent to all shareholders on record at July second, 1996.

In order to attend the meeting, the owners of bearer shares are required to deposit their shares not less than five clear days before the date of the meeting at the Registered Office.

By order of the Board of Directors.

CRASH: *Wall Street's Weakness Is Different Now* CIRCUIT: *Breakers Give Traders Time to Think*

Continued from Page 11

peak in 1987, stocks in the Dow traded for about 24 times their average earnings over five years, according to data from the Leuthold Group, a research firm in Minneapolis. At the end of June of this year, the ratio of prices to earnings was 23.1. Since 1926, the ratio has tended to average about 15.

• A torrent of companies clamoring to sell shares to the public. In the last 12 months, about 800 companies have raised $47.6 billion, more than double the previous year's activity. For the year ending Oct. 31, 1987, more than 700 companies raised in excess of $24.2 billion, almost double the level of the prior year.

• Heavy participation by small investors, especially those investing in mutual funds. The current fund boom has been building since 1992. Investors in 1987 had a boomlet of their own, pouring record sums into mutual funds.

The numbers in 1987 form a pattern a lot like this year's: In January of 1987, $5.9 billion flooded into stock funds — at the time, the biggest month ever for funds. Fund purchases slowed a bit later in the year, totalling about $2.8 billion in August, when stocks peaked.

Today, the inflow from individuals, especially those saving for retirement, "dwarfs every other consideration" in market performance, said Steven C. Leuthold, who runs the research and money management firm. "The most important factors by far are mutual-fund flows and public confidence."

The latest numbers? Americans put more money into stock funds in the first six months of 1996 than in any previous full year, but they cut back substantially in June. Some big funds reported more redemptions from stock funds than purchases on Monday and Tuesday.

In spite of these similarities, analysts said the action in smaller stocks points to some salient differences between then and now:

• In 1987, big stocks were far more in favor than their smaller brethren, the reverse of conditions this year.

• Conditions in the bond market are much more favorable for stocks. In 1987, the stock market rose while the bond market plunged; yields, which move in the opposite direction from bond prices, soared by three percentage points. This time, bond yields have risen by only one percentage point.

• The dollar is now relatively strong, while in 1987 it was in freefall. But the strength of the dollar carries its own worries — mainly, that it will damage the profits of U.S. exporters.

• The economy in general is much stronger now than it was back then, in the view of Byron R. Wien, director of U.S. portfolio strategy at Morgan Stanley & Co. Though Mr. Wien is a market bear, he said that "the fundamental background is very different. The American economy is fine, and the U.S. is in a much better competitive position than it was."

Continued from Page 11

Since 1987, that exchange has put in circuit breakers, which click in when the contracts are down 12 points and 20 points, the equivalent of about 100 and 170 points, on the Dow.

The first circuit breaker was hit at 12:24 P.M. New York time. That meant that for the next half hour, no contracts could trade below that level. But nobody wanted to trade at or above that level during the period. That triggered a two-minute halt in trading, after which trading could go on with a 20-point limit.

Trading reopened at 12:56 P.M., and took only five minutes to fall to the new limit. Once again, there could be no trading below that limit for the next 30 minutes.

This pause seemed to bring out buying interest in some blue-chips. Then the Nasdaq market rallied and, at 1:21 P.M. the futures prices started to rise, and then to soar.

Suddenly, said Mr. Ray of Dean Witter, several firms began to buy large numbers of futures contracts for customers. Program traders, who trade in both the stock and the futures markets, saw that quick profits could be made by buying stocks in New York and simultaneously selling the suddenly soaring futures contracts in Chicago.

"The program traders took the Dow from minus 166 to minus 32, almost in a straight line," marveled Arthur Cashin, a supervisor for PaineWebber Group Inc. on the floor of the New York Stock Exchange.

Prices moved up for much of the rest of the day, leading to a mixed close. The Dow was up 9.25 points, to 5,538.76, but the Nasdaq composite was down 6.72, to 1,053.47. A relatively dull day, one might think.

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NASDAQ

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Wednesday's 4 p.m. Close

(Continued)

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Asia Vest		10.09
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CB Nat. Resource USS		148.39
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Chilton Select		181.49
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Oppenheimer U.S. Asia		227.00
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Penn Intl Fund		124.869
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Resources Int		3.289
Ric Global Fd Ltd Cl A		12.64
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Strider Fund		132.44
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THE WORLD'S DAILY NEWSPAPER

WORLD ROUNDUP

Schott Ban Grows

BASEBALL Marge Schott was banned Wednesday from Riverfront Stadium, home of the Cincinnati Reds, the team she owns.

Under the original agreement between Schott and baseball's executive council, she was to step down as the Reds' chief executive officer through the 1998 season, but was permitted to sit in her luxury suite and go to her office at the ballpark.

Ricky Clemons, a National League spokesman, said there was no particular reason for the new ban. "It helps better with the transition. There's been no particular incident or anything like that, but there was a thought that it would help." *(AP)*

Blazers Trail Anderson

BASKETBALL The Portland Trail Blazers were on the verge of signing Kenny Anderson, the free agent point guard to a seven-year pact worth $50 million, according to newspaper and television reports.

The team's president Bob Whitsitt said nothing has been finalized.

Anderson played for the New Jersey Nets and the Charlotte Hornets last year. *(AP)*

Tougher Drug Rules

OLYMPICS Swimming's world governing body, FINA, voted Wednesday to impose two-year suspensions on member federations if four anabolic steroid offenses are committed within 12 months by swimmers under their jurisdiction.

- Antonella Bevilacqua, one of the top six high jumpers in the world, is almost certain to be removed from the Italian Olympic team because of a positive drug test, athletics sources said Wednesday. The International Amateur Athletic Federation wants Italy to suspend Bevilacqua for three months after she tested positive for the banned stimulant ephedrine twice in May. Bevilacqua says she took ephedrine by mistake in an over-the-counter Chinese herbal medicine.
- Russian weightlifter Yuri Myshkovets, European champion in the under 83-kilogram class, has failed a drug test and been barred from going to the Olympics, his team coach said Wednesday. *(Reuters)*

Too Many Signatures

SOCCER Croatian striker Goran Vlaovic has been suspended indefinitely after entering into agreements with three different clubs, FIFA, world soccer's governing body, said Wednesday.

According to FIFA, Vlaovic, who played last season for the Italian club Padova, has signed agreements with Napoli, of Italy's Serie A team, and two Spanish clubs, Espanyol and Valencia. *(Reuters)*

Patrick Kovarik/Agence France-Presse

Miguel Indurain climbing Wednesday in the Pyrenees, flanked by Abraham Olano, left, and Tony Rominger.

Indurain Is Still a Hero at Home

International Herald Tribune

Tour de France/ **SAMUEL ABT**

PAMPLONA— El Rey Miguel Indurain V came home a hero Wednesday in the Tour de France.

After five consecutive victories in the bicycle race, the king will not be changing the number after his name to VI this year — Bjarne Riis has won the race, barring accident or illness before the finish in Paris on Sunday. But that seemed to matter not at all to hundreds of thousands of Indurain's fans in Pamplona, the finish, and a similar number along the route from France into Spain.

"Miguel, Miguel, Miguel," thousands chanted as he rode through Villava, the town where he grew up, and then just down the road into Pamplona. In the grandstands they rose and applauded him.

Eight minutes behind in the daily stage, Indurain rode the final two kilometers (one mile) through a corridor of drumming as his fellow Spaniards beat rhythmically on aluminum barriers and screamed his name.

Finally, looking drawn after the finish, he mounted the platform that is usually reserved for the day's winner and the overall leaders in three categories: the top climber, the points leader and the man in the yellow jersey, the No. 1.

That is the number Indurain is wearing in this Tour after his victory last year. His jersey is not the leaders' white with polka dots, green or yellow, however. He wears the white, red and blue colors of his Banesto team for the first time this late in the Tour since 1990.

Indurain tried to manage a smile for his adoring crowd. Then Riis, who finished second in the mountainous stage Wednesday and leads by nearly four minutes, presented his bouquet to Indurain and raised the Spaniard's arm. Indurain waved, threw the flowers out into the horde and climbed slowly down the stairs and off the victors' platform.

Riis stayed on. The Dane, who rides for the Telekom team, led a long breakaway in the Pyrenees by eight riders that exploded the standings and left him seemingly invulnerable at the top.

With four of 21 stages to go, he is 3 minutes 59 seconds ahead of his teammate, Jan Ullrich, in second place and 4:25 ahead of Richard Virenque, a Frenchman with Festina, in third. Ullrich, a 22-year-old German in his first Tour, will not attack his leader, of course, and Virenque is thrilled at the prospect of becoming the first Frenchman since 1989 to stand on the Tour's final one-two-three victory podium.

In fourth place, 5:52 behind, is the winner of the long and demanding stage on Wednesday, Laurent Dufaux, a Swiss with Festina. In a two-man sprint at the end of the 262-kilometer grind over five major mountains, Dufaux passed Riis with a few meters to go.

Twenty seconds behind them, in order, were Virenque; Ullrich; Luc Leblanc, a Frenchman with Polti; Piotr Ugrumov, a Russian with Roslotto; Fernando Escartin, a Spaniard with Kelme, and Peter Luttenberger, an Austrian with Carrera. Those were the men of the breakaway that started on the fourth climb, up to the Soudet Pass, 18 kilometers of ascent on a grade of 6.3 percent, and those are the eight who now lead the overall standings.

Indurain is in 11th place, 15:36 behind, the lowest he has been in the Tour in this decade. Just turned 32 on Tuesday, he must be wondering what has happened to his legs. They failed him again Wednesday, just as they did Tuesday and 10 days ago in the Alps. The man who has constructed his Tour victories out of overwhelming triumphs in long time trials and the ability to stay with the best climbers in the mountains is simply not up to the job in this Tour.

On the Soudet climb, when riders began taking water bottles from fans to stave off the fiery sun, Indurain fell behind halfway up. He was not alone. Abraham Olano, a Spaniard with Mapei, and Tony Rominger, a Swiss with the same team — in second and third place overall when the stage began in the French town of Argelès-Gazost — were among those who also faltered.

At the front, Riis and his teammates and Virenque and his pressed their attack. On the fifth and final major climb, 14.8 kilometers up to the Port de Larrau, the gap increased. No wonder: the average grade was 7.7 percent with portions up to a numbingly steep 11 percent. From two minutes, the time between the Riis group and the Indurain group grew to three and then four.

Over the final 107 kilometers of rolling descent to Pamplona, the margin rose to five, six, seven and then 8 minutes 30 seconds at the line. Dufaux took 7 hours 7 minutes 8 seconds for his journey, an average of 36.8 kilometers an hour (about 22.5 miles per hour) in a stage that saw the field reduced by five riders to 129 of the 198 who set out June 29.

Now, even if he makes a comeback in the time trial on Saturday, this Tour is over for Indurain.

There will be another Tour next year and at least one fan is already looking ahead to it. A sign somewhere in the sweltering approach to Pamplona told the champion: "Miguel, Super 1997."

With a Heavy Heart, Price Plays British Open

As Former Champion Begins His Recovery, His Longtime Caddy Faces Chemotherapy

By Don Greenberg
Special to the Herald-Tribune

LYTHAM ST. ANNES, England — Nick Price's severe sinus troubles have sapped his strength and will require painful surgery, the sooner the better, his doctors tell him.

Price's recent results, by the standards he has established, have been major disappointments. But most disturbing for the man who dominated the world of professional golf in the early 1990s will be the heaviness in his heart as he tees off Thursday afternoon in the first round of the 125th British Open at Royal Lytham.

Price will command an adoring and attentive gallery on what's forecast to be yet another scorching day on this demanding links course on the Lancashire coast.

The last time he competed here in the Open, in 1988, he had one of the most memorable final-day duels in major championship history, eventually finishing second to his playing partner, Seve Ballesteros, who played some of the most spectacular golf of his brilliant career to win his third British title.

Yet that will be a faint memory for Price today.

The antibiotics the native of Durban, South Africa has been taking the past month already have relieved many of the debilitating symptoms of the sinus troubles that have plagued him most of this season.

Yet Price will not be thinking of his former world No. 1 ranking, the 24 tournaments around the globe he has won since 1988 or the three major titles he has captured.

Price's thoughts will be focused on the struggle for life being waged in Columbus, Ohio, by his longtime caddy and close friend, Jeff "Squeeky" Medlen, the diminutive man with the most distinctive voice on the professional golf circuit.

Price said he almost dropped the phone and fell to the floor three weeks ago, when Medlen told him of the most shocking news, that doctors had confirmed the caddy had chronic myelogenous leukemia.

"I was devastated," Price said Wednes

. "All the wind went out of my sails and I really didn't feel like playing. You feel like it's not important when someone's life is on the line."

Medlen, 42, is preparing for chemotherapy and a possible bone marrow transplant, if a suitable donor is available. He caddied for Price at the Western Open near Chicago earlier this month, but doctors advised against him traveling overseas. Price is using a Dallas friend, Jimmy Johnson, as his caddy this week, but it won't be the same without his closest on-course confidant and companion.

"I spoke to him three of four times last week because in such a difficult time I wanted him to know he will have all the support from me and my family," Price said. "He is going to have a tough time ahead but the support I have received recently has been incredible. Letters and faxes have poured in, and every player I have spoken with has been just great."

So, carrying such heavy emotional baggage, Price, 39, will attempt to win his second Open title in three years. Who can forget the image of Price holing that 50-foot (15-meter) putt for eagle on the 71st hole at Tumberry in the 1994 Open, then leaping high into Ayrshire sky and bear-hugging Medlen?

How will Price be able to fully absorb the relevant information supplied by a caddy whose voice doesn't sound like dental patient filled with helium? And how can Price pay full attention to Royal Lytham when his deepest concerns are 6,000 miles (9,500 kilometers) away?

"It's what I have to do," Price said. "I know I've done everything in my power for Squeek and will continue to do so. But it'll still be a challenge and I know that Squeek will be pulling for me so hard and would be tremendously disappointed if I did not play to the best of my abilities."

Price has not won a U.S. or European event in nearly two years. Easily the most successful player in the world in 1993 and '94 when he won an astounding 17 tournaments worldwide and twice led the American money list, Price admitted to being "burned out" after a 1995 slump.

Then came his mysterious physical ailments. He said he would wake up in the morning exhausted, that five minutes of frolicking with his two children left him needing 30 minutes of rest. Walking 18 holes, let alone winning a 72-hole event, seemed an impossibility.

Doctors finally prescribed antibiotics to combat his sinus troubles, which include a severely deviated septum, and strongly recommended surgery in the near future. But his strength began returning as the medication took effect and he now says he's feeling stronger and more confident about his game.

"In the past three weeks, I have been hitting a lot of balls and can feel my game improving," he said. "Every day, it gets a little better. Whether it's good enough to win, I don't know. But I'll be giving it a go."

Romania's Hopes Hinge on Gymnasts

By Ian Thomsen
International Herald Tribune

ATLANTA — Twenty years ago, the Romanian gymnast Nadia Comaneci achieved perfection seven times in the Montreal Olympics.

When she grew up she ran away at great personal risk to America. While she was gone, the Romanian people overthrew their government and killed the dictator. Last April, Comaneci was escorted back to Romania by the former American gymnast Bart Conner for their wedding. She wore a snow-white gown with 10,000 pearls, and they were received in the Cotroceni Palace.

Twenty years on from perfection and Romania has been tipped on top of its head. The Olympics begin this weekend and the only survivors of the old Romania seem to be the gymnasts, springing out of their handstands and onto their feet as unperturbed as the 14-year-old Nadia, and with eyes as vacant as if staring into the dark.

"We find the way to keep our girls in work," said Octavian Belu, the 45-year-old coach of the Romanian senior women, none of them older than 19. "Now our country knows the feeling to be free, to have democracy, so now we give our girls the option — to work at their sport very hard, or to have an easy life.

"They understand that to make gymnastics now is to make good business. They can make a lot of money, they will be in good social positions. In America, if a girl wins the gold medal, she becomes a millionaire in dollars. In Romania our girl will become a millionaire in our money. The girls like to be in the street and have people say, 'You are Lavinia Milosovici!' "

Romanian women had won only bronze medals in gymnastics before Comaneci in 1976. Her heirs are more highly touted, having won the last two world championships. It is a threat to the Russians in the women's team combined event. After the Soviets began competing in 1952 the Soviet Union won that competition in every Olympics until 1992 when its replacement, the Unified team, won it.

Romania's hopes were damaged when Anamaria Bican tore knee ligaments while attempting a vault in training on Saturday. Without Bican, who finished third in the European junior championships two years ago, the Romanians will use the minimum six gymnasts, while the competition will be able to mix and match depending on individual strengths.

Atlanta 1996

Milosovici, the oldest Romanian on the team, will turn 20 in October. In 1992 she won four Olympic medals, two of them gold, but few champions have been able to improve the second time around. Not even Comaneci could do it. On Tuesday Milosovici stood dwarfed by her coach as he translated her interview with reporters.

For most of each year she lives and works at the Deva national training center with fellow stars Alexandra Marinescu, 15, and Gina Gogean, 18. The elite center was built on the foundation of Nadia's five medals. Its only secret is the hard work, the coach said — seven hours of training daily, seven days a week.

"We don't have a billion-and-a-half population like China, or 700 million like Russia," Belu said. "We are only 23 million people. We must select from the beginning the right person for gymnastics. We don't have enough resources to afford to lose a girl after five or six years."

This year all of the women gymnasts must turn 15 in order to qualify for these Olym-pics. In response to outcries of child exploitation, the minimum age will be raised to 16 by the Sydney Olympics in 2000.

"Our system is more flexible than the Russian or Chinese system," Belu said. "We are more warm, more flexible, more friendly. We know when it is necessary to be strict, to be friendly, to be a partner, to have a moment to enjoy. For us it is like working 24 hours a day. We must be like family to our gymnasts because we replace their family."

A former Romanian coach frankly revealed another secret of the system.

"You select those who are tiny and slim," said Adrian Stan, now a director of coaching for Britain. "You cannot interfere with the genes, but the fact that effort will delay the puberty is proven. Tough effort delays the puberty by a year or two. It does not produce any danger for them. You select those who have a late physical development. Why? Because the requirements of the sport are so. On a 10-centimeter beam, they can put both feet on the beam."

Belu is always having to answer to criticisms that he is too hard on girls who should be enjoying life. The invitation is for him to answer that Romania itself is not a happy place, and that he is doing little more harm than would be done otherwise. But he did not respond in that way.

"In the U.S. they work maybe more than us," he said. "They all look at us, they say, 'The Romanians work too hard.' But look at the level of the Americans. They work to the same system."

On Tuesday the Romanians came to the colosssl Georgia Dome for training. They were followed onto the stage by the American girls, who for every vault or dismount received enormous cheers from the crowd of 22,373. That the audience paid up to $22 each was confirmation of the vast popularity of women's gymnastics. It is big business because it televises well, and the American girls know their part. They walked in single file to a standing ovation, each of them one-third as large and half as old as the football players for whom this building was built, and hardly a smile from any of them.

The Americans looked exactly like the Romanians.

Yoshikazu Tsuno/Agence France-Presse

Dominique Moceanu, 14, the U.S. Olympic team's youngest gymnast, training in Atlanta.

The Boy Genius and His Mentors

By Rob Hughes
International Herald Tribune

BEHIND nearly every potential Olympian stands a mentor: the old watching over the young, passing on knowledge, tempering wild ambition with timely restraint.

In the case of Ronaldo Luíz Nazário de Lima, the $20 million soccer talent from Brazil, there are *two* grandfatherly figures anxious to guide his footsteps.

In the Orange Bowl in Miami — 620 miles (1,000 kilometers) from Atlanta but under the Olympic flag — Mario Zagallo, Brazil's 64-year-old trainer will decide if and when Ronaldo plays against Japan, Hungary, or Nigeria.

Looking on from Barcelona, which has lodged $20 million to buy Ronaldo from his Dutch club, PSV Eindhoven, will be Bobby Robson, the coach who wants to start his new job with Ronaldo leading Barcelona's attack. Robson, who recovered from cancer last year, is only 63.

They are two of a kind, Zagallo and Robson. They were born in the 1930s, played in the '50s and '60s and they speak a common tongue in Portuguese.

They debunk the myth that sport is exclusively for youth. Many "younger" coaches who strut around claiming the best paid jobs with their loud vigor are beginners compared with the Brazilian and the Englishman.

On the training ground *they* are lean in their tracksuits and sharp with their wits. Age has neither mellowed their ability to transmit enthusiasm nor their thirst for prizes.

But they need players to run for them. Ronaldo is some player. His precocity was known across Rio de Janeiro when, at 13, he was coached by Jairzinho, the winger of Brazil's 1970 World Cup winning team — coached then by Zagallo.

The boy graduated to Cruzeiro in Belo Horizonte and there his hypnotic dribbling, his 55 goals in 57 first team matches, drew older men of the vintage of Pelé to conclude that at 16, Ronaldo was ready for international soccer.

A goal with his left foot, though he scores any way the ball comes, proved the point on Ronaldo's debut for Brazil. He was big for his age, a shade under 6 feet (1.82 meters), solidly muscled, eager as a puppy to please.

The clamor went on and on. Brazil took him to the 1994 World Cup in the United States, but Romário and Bebeto were the goal scorers. The kid had to be content with being a part of the camp. In the revelry after Brazil won the cup, he had some yellow balloons and thwacked everyone, all those Brazilian heroes and millionaires, until a familiar figure embraced him.

That, inevitably, was Zagallo. Then the assistant coach, and associated as a player and trainer with Brazil's four World Cup triumphs, Zagallo was ensuring that tomorrow's striker was kept in high spirits.

Ronaldo needs that kind of careful handling. At 19 he has become a veteran of surgery, and there is no mystery as to why. Following his $6 million move to Eindhoven, the club paying his wages and the coaches living off his goals simply overused him.

The knee cartilage broke down through wear and tear. Yet even as Ronaldo recuperates, Philips, the electrical company that owns his registration and mounts its Olympic sponsorship campaign "Let's Make Things Better" on photographs of its star player, is selling him.

Barcelona believes it has seen off the Italian clubs lining up for a young man still not 20 who, presumably, carries a surgeon's warning. He is a growing talent in a still growing body but Barcelona dares not wait. Its offer is reportedly for six years at a salary of more than $2 million a year with a clause preempting Ronaldo's resale at less than $30 million.

Yet patience is the watchword. Zagallo has 40 years' experience of the winning game. He performed as a withdrawn winger, today we call it a wing-back, in the 1958 World Cup team of Pelé and Garrincha. They were the talents, he was the "little ant," the worker.

Somehow, in all those years, in and out of favor as national trainer, Zagallo kept alight the flame of desire. It has not, until now, met the Olympic flame. Brazil has never won Olympic gold.

"Perhaps in the past," he said, "we have never taken the Olympic Games seriously enough. This year is different. We want to be world champions and Olympic champions at the same time."

With Bebeto and Savio his strike force, with Ronaldo to nurse back into contention, and the Olympics as a platform to build a young squad for the 1998 World Cup, Zagallo is a competitor who refuses to be pensioned off.

Twice recently his wiles have motivated players two generations his junior. In Soweto last April, Brazil was two goals down against South Africa. The coach took off an attacker, put on Ze Elias, a 19-year-old anchorman, and encouraged others to show their flair. Brazil won, 3-2, in Zagallo's 100th match in charge.

In the final match for Olympic qualification against Argentina, Brazil was also two goals in arrears. Both sides had already qualified, but Zagallo stood on the touchline giving his men a four-fingered salute. "It was a reminder that their jerseys bear four stars — the four World Cups Brazil has won." His demeanor also conveyed that Coach Zagallo had never lost a match against Argentina. He didn't lose this time, thanks to two goals in three minutes.

He is a thoroughly old-fashioned winner who communicates the knowledge we in sports, in life, so often impatiently discard.

SPORTS

Judge Has Spoken, Now Irvin Faces NFL

By Richard Justice
Washington Post Service

The Dallas Cowboys' wide receiver Michael Irvin said he would not report to the team's training camp as he awaits what sources said likely will be a suspension of at least four regular season games.

Instead, he said Wednesday that he was going to Miami to be with his wife and children.

"I'm going to talk with my wife, and we're going to decide what we'll do from there," Irvin said. In his first public comments on his legal troubles, Irvin also apologized to his family and fans for his behavior. "There's no getting around it," he said. "I was wrong. I was wrong. I'd like to apologize to my family. I shall work on being a better father. I shall work on being a better husband."

Irvin pleaded no contest to felony cocaine possession Monday as part of a plea bargain agreement. Now, he must deal with the National Football League commissioner, Paul Tagliabue, who will decide on punishment. An NFL spokesman said that Tagliabue would have an announcement "probably later this week or next week."

Several league sources predicted a four-game suspension, which is the punishment the Pittsburgh Steelers' running back Bam Morris received last week after pleading guilty to marijuana possession. The NFL's labor agreement allows Tagliabue to suspend any player who violates a drug law, and Tagliabue has the latitude to level a much longer suspension.

Irvin's plea bargain ended an eight-day trial that has resulted in a barrage of bad publicity for the league, with its tawdry tales of sex and drug use by a star player on one of the country's most high-profile sports franchises. At least one team executive predicted that Irvin would be suspended for the season.

Irvin's defense team struck the deal just as a topless dancer, Rachelle Smith, was prepared to tell jurors that Irvin had threatened her after she testified of his drug use in front of a grand jury investigating the March 4 raid on a hotel room in which a variety of cocaine, crack cocaine and marijuana was found.

"He kept on telling me that I shouldn't be afraid of the DA's office, I should be afraid of him, because he was more powerful," Smith testified out of the presence of jurors. "He said he would put everybody against me, and everybody would hate me. He said that he could score a touchdown and everybody would love him again."

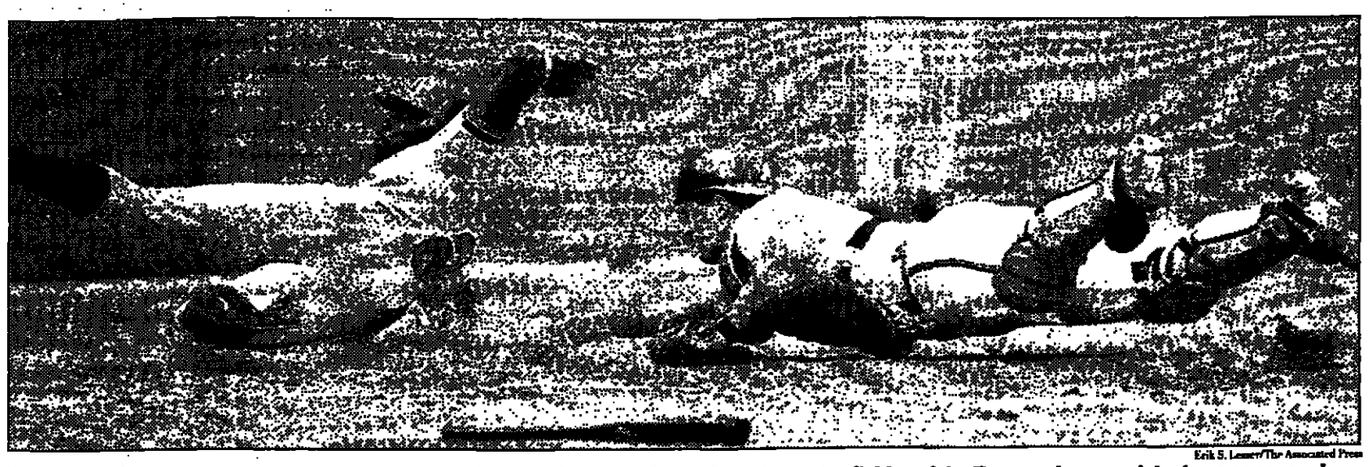
She was prepared to offer the same testimony in front of jurors when the deal was struck. Smith's boyfriend, a former Dallas police officer, Johnnie Hernandez, has been charged with trying to have Irvin killed.

In exchange for his no-contest plea, Irvin was sentenced to four years' probation and fined $10,000. Irvin was also ordered to perform 800 hours of community service. State District Judge Manny Alvarez warned would involve jobs like dishing up food at crisis centers, landscaping and maintenance rather than "hitting the lecture circuit."

Alvarez also said he had heard enough evidence to find Irvin guilty and warned him that if he violated the terms of his probation, "I will find you guilty of this offense and give you up to 20 years."

The probation is considered deferred adjudication, meaning the charge will be erased from his record if Irvin stays out of trouble for four years. Alvarez warned Irvin that any violation of his probation could trigger a sentence of up to 20 years in prison.

Alvarez ordered Irvin to submit to a drug evaluation within 45 days and to undergo court-approved psychological counseling.



Erik S. Lesser/The Associated Press

Braves' catcher Javy Lopez, right, trying to make the tag at home on Rondell White, center fielder of the Expos, who scored during a squeeze play.

One Champion Leaves Atlanta as Olympians Arrive

The Associated Press

Chipper Jones's run-scoring single in the ninth gave the Atlanta Braves a 3-2 victory over the Montreal Expos.

Atlanta extended its winning streak to five Tuesday night and took a nine-game lead over the second-place Expos in the National League East.

After an off day Wednesday, the Braves leave home Thursday for a 17-game, 18-day road trip that keeps them out of Atlanta during the Olympics. It is the Braves' longest trip since moving to Atlanta and frees Atlanta-Fulton County Stadium for the Olympic baseball tournament.

Pirates 10, Cubs 5 In Chicago, Jeff King hit a three-run home run and Mark Johnson had a two-run homer to help Pittsburgh end a four-game losing streak.

Mets 6, Phillies 3 Mark Clark allowed nine hits in eight innings as host New York beat Philadelphia. After falling behind 2-0 in the first — and throwing 36 pitches — Clark (10-6) held the Phillies to one run over the next seven innings.

Rockies 5, Giants 3 In Denver, Marvin Freeman (7-5) pitched six effective innings, and Eric Young and Andres Galarraga hit bases-empty homers as Colorado ended a streak of 11 consecutive games in which they scored at least seven runs but beat San Francisco anyway.

Marlins 3, Astros 2 Florida wasted a 2-0 lead as John Burkett, who took a no-hitter into the fifth, allowed visiting Houston to tie the game in the seventh. But Florida scored its winning run on four walks in the ninth inning.

Cardinals 5, Reds 4 In Cincinnati, Ray Lankford, the St. Louis center fielder, grabbed what looked like a sure three-run double by Cincinnati's Thomas Howard to ensure his team's victory.

Ron Gant homered and Tom Pagnozzi drove in two runs as the Cardinals won their fifth straight game.

Padres 10, Dodgers 1 In Los Angeles, Bob Tewksbury pitched six strong innings and San Diego capitalized on four Los Angeles errors to score four unearned runs.

In American League games:

Brewers 20, Tigers 7 Greg Vaughn hit a grand slam and drove in five runs Tuesday as host Milwaukee beat Detroit.

Jose Valentin, John Jaha and Matt Mieske also homered in as the Brewers became the fifth team to score at least 20 runs in a game this year.

White Sox 11, Twins 2 In Minneapolis, Robin Ventura hit two home runs in Chicago's victory over Minnesota.

With the Sox leading 5-2 in the eighth, Ventura drove Eddie Guardado's pitch into the upper deck in right field. An inning later, Ventura hit another shot even farther, this time off Mike Milchin with two men on.

Rangers 6, Angels 2 Darren Oliver (8-3) won for the fifth time in six decisions, giving a boost to a Texas rotation that had a 6.67 earned-run average in its previous 15 games. Oliver allowed visiting California two runs and five hits, struck out five and walked two.

Indians 10, Royals 4 In Kansas City, Cleveland connected for 17 hits and no strikeouts.

The beneficiary of the hitting surge was Jack McDowell, who improved to 8-6 for the season. He pitched seven innings and raised his lifetime record against Kansas City to 9-4.

Yankees 9, Red Sox 5 Host Boston scored three times in the first inning — and lost.

The night before, New York had scored three times to open the game and lost, 8-6. On Tuesday night, the Red Sox jumped out to a 3-0 first-inning lead against Jimmy Key, but the Yankees came back for the victory.

Blue Jays 6, Orioles 0 In Baltimore, Toronto's Juan Guzman pitched his second career shutout and Angel Martinez had two of seven doubles off Mike Mussina as the Blue Jays handed the slumping Orioles their sixth loss in seven games.

Athletics 12, Mariners 5 In Oakland, Mark McGwire hit his 31st homer and Scott Brosius had a homer and three runs batted in as Oakland routed Seattle.

McGwire's two-run homer broke a 4-4 tie in the fifth. The A's have homered in 12 consecutive games.

BASEBALL ROUNDUP

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	57	34	.626	—
Baltimore	47	44	.516	10
Toronto	42	51	.452	16
Boston	41	50	.451	16
Detroit	28	66	.298	30½

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	56	37	.602	—
Chicago	54	39	.581	2
Milwaukee	45	47	.489	10½
Minnesota	43	49	.467	12½
Kansas City	40	54	.426	16½

WEST DIVISION

	W	L	Pct.	GB
Texas	54	39	.581	—
Seattle	50	41	.549	3
Oakland	44	48	.489	8½
California	43	49	.479	9½

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	59	34	.634	—
Montreal	50	43	.538	9
New York	45	48	.484	14
Florida	43	50	.462	16
Philadelphia	40	52	.435	18½

CENTRAL DIVISION

	W	L	Pct.	GB
St. Louis	51	42	.548	—
Houston	49	46	.516	3
Cincinnati	42	46	.477	6½
Chicago	43	50	.462	8
Pittsburgh	41	52	.441	10

WEST DIVISION

	W	L	Pct.	GB
Los Angeles	50	45	.526	—
Colorado	48	44	.522	½
San Diego	49	46	.516	1
San Francisco	40	52	.435	8½

TUESDAY'S LINE SCORES

AMERICAN LEAGUE

Seattle 002 200 001—5 11 1
Oakland 000 425 10x—12 16 0
Hitchcock, Cormier (6), M. Jackson (6), Charlton (7), T. Davis (8) and D. Wilson; Chouinard, Groom (7), Van Poppel (8) and Steinbach. W— Chouinard, 4-2. L— Hitchcock, 8-4. HRs—Seattle, A. Rodriguez (20). Oakland, Brosius (13); McGwire (31).

Toronto 122 000 001—4 14 0
Baltimore 000 000 000—0 5 1
Guzman and S. Martinez; Mussina, Orosco (8), R. Myers (9), and Hollins. W—Guzman, 9-6. L—Mussina, 11-7.

New York 040 010 130—9 11 1
Boston 310 000 003—6 7 1
Key, Wickman (6), M. Rivera (7), Pelley (9) and Girardi; Clemens, Gunderson (7), Garces (7), Hudson (8), Stanley, W— Key, 7-6. L— Clemens, 4-9. HR— Boston, Hosking (15).

Cleveland 200 220 003—10 17 0
Kansas City 001 002 001—4 8 1
J.McDowell, Assenmacher (8), Shuey (9) and Perez; Haney, Halteman (5), Valera (8) and MacFarlane, Mercedes (6). W— J. McDowell, 8-6. L— Haney, 8-7. HRs— Cleveland, Vizquel (5), Belle (31).

Chicago 020 002 125—11 17 0
Minnesota 200 000 000—2 6 0
Alvarez, Karchner (8) and Karkovice; Radke, Guardado (8), Stevens (9), Michlin (9) and Walbeck. W —Alvarez, 11-5. L— Radke, 5-12. HRs—Chicago, Ventura 2 (27), Baines (14), D. Martinez (6), Durham (6).

California 001 010 000—2 5 1
Texas 022 010 01x—6 7 0
J.Abbott, James (8), and Borders; D.Oliver, Russell (8) and Valle. W— D. Oliver, 8-3. L— J. Abbott, 1-12. Sv— Russell (2). HRs— California, DiSarcina (2). Texas, Greer (9).

Detroit 100 100 050—7 10 4
Milwaukee 002 714 33x—20 18 0
B.Williams, Urbani (4), McCurry (4), M. Myers (7) and Ausanio; Dzmnico, J. Mercedes (6), Vanegmond (9) and Levis. W—Dzmnico, 2-2. L—B. Williams, 2-7. HRs—Detroit, Curtis (8), Fielder (21), Nieves (12). Milwaukee, G. Vaughn (28), Jaha (19), J. Valentin (13), Mieske (10).

NATIONAL LEAGUE

Montreal 000 100 001—2 10 1
Atlanta 000 000 021—3 10 0
Fassero, D. Veres (8), Rojas (9) and Webster; Glavine, McMichael (8), Wohlers (9) and J. Lopez. Ed.Perez (9). W—Wohlers, 1-1. L—Scott, 3-5.

Pittsburgh 310 023 100—10 13 1
Chicago 300 000 200—5 6 2
Neagle, M. Wilkins (7), Plesac (8) and Kendall; Navarro, Myers (6), Bottenfield (8), Wendell (9) and Servais. W—Neagle, 11-4. L—Navarro, 7-9. HRs—Pittsburgh, King (22), M.Johnson (9). Chicago, Sosa (30).

San Diego 240 200 020—18 11 1
Los Angeles 100 000 000—1 7 4
Tewksbury, Ti.Worrell (7) and Flaherty; R.Martinez, Eischen (6), Osuna (8), Radinsky (9) and Piazza. Prince (8). W—Tewksbury, 8-5. L—R. Martinez, 7-4. Sv—Ti.Worrell (1).

Philadelphia 210 000 000—3 11 1
New York 320 000 01x—6 5 0
Schilling and Lieberthal; M.Clark, Franco (9) and Hundley. W—M. Clark, 10-6. L—Schilling, 3-4. Sv—Franco (20). HRs—Philadelphia, Stocker (4). New York, Gilkey (17).

Houston 000 000 200—2 5 0
Florida 001 010 001—3 4 0
Drabek, T. Jones (8) and R. Wilkins, Knorr (9); Burkett, T.Matthews (8), Y. Perez (9) and C. Johnson. W—Y. Perez, 3-3. L—T. Jones, 6-2. HR—Florida, C. Johnson (10).

St. Louis 000 020 210—5 13 2
Cincinnati 110 010 001—4 8 1
Osborne, Petkovsek (7), Eckersley (9) and Pagnozzi; Smiley, Carrasco (6), Shaw (7), Service (8) and J. Oliver. W—Osborne, 9-5. L—Shaw, 2-4. Sv—Eckersley (15). HRs—St. Louis, Gant (15). Cincinnati, E. Perez (2), Anthony (7).

San Francisco 010 002 000—3 7 4
Colorado 201 011 00x—5 6 1
M.Leiter, Creek (7), Dewey (7) and Manwaring; Freeman, Holmes (7), B. Ruffin (9) and J. Reed. W— Freeman, 7-5. L— M. Leiter, 4-9. Sv— B. Ruffin (14). HRs— Colorado, E. Young (6), Galarraga (23).

American League Leaders

	G	AB	R	H	Avg.
Knoblauch Min	85	331	77	122	.372
RAlomar Bal	88	341	71	120	.352
FThomas ChW	87	332	66	116	.349
Cirillo Mil	89	301	54	104	.346
ARodriguez Sea	76	313	74	108	.345
Seitzer Mil	88	332	52	114	.343
MVaughn Bos	91	366	70	123	.336
EMartinez Sea	91	336	85	113	.336
JGonzalez Tex	68	270	48	89	.330
Greer Tex	85	322	58	106	.329

RUNS—E. Martinez, Seattle, 85; Belle, Cleveland, 78; Knoblauch, Minnesota, 77; Phillips, Chicago, 76; A. Rodriguez, Seattle, 74; G. Vaughn, Milwaukee, 72; RAlomar, Baltimore, 71.

RBI—G. Vaughn, Milwaukee, 88; M. Vaughn, Boston, 86; F. Thomas, Chicago, 85; Belle, Cleveland, 85; E. Martinez, Seattle, 79; Buhner, Seattle, 79; R. Palmeiro, Balt., 79.

HITS—Molitor, Minnesota, 124; M. Vaughn, Boston, 123; Knoblauch, Minnesota, 123; Lofton, Cleveland, 122; R. Alomar, Baltimore, 120; I. Rodriguez, Texas, 116; FThomas, Chicago, 116.

DOUBLES—E. Martinez, Seattle, 44; A. Rodriguez, Seattle, 33; I. Rodriguez, Texas, 29; Gambi, Oakland, 26; Cordova, Minnesota, 26; Greer, Texas, 26; MRamirez, Cleveland, 25; Knoblauch, Minnesota, 25.

TRIPLES—Knoblauch, Minnesota, 9; Vina, Milwaukee, 6; JaValentin, Milwaukee, 6; Cora, Seattle, 5; Guillen, Chicago, 5; Carter, Toronto, 5; 6 are tied with 4.

HOME RUNS—Belle, Cleveland, 31; ByAnderson, Baltimore, 31; McGwire, Oakland, 31; MVaughn, Boston, 28; GVaughn, Milwaukee, 28; Canseco, Boston, 27; Sprague, Toronto, 24; Griffey Jr, Seattle, 24; Buhner, Seattle, 24.

STOLEN BASES—Lofton, Cleveland, 44; T. Goodwin, Kansas City, 39; Nixon, Toronto, 23; Vizquel, Cleveland, 21; Listach, Milwaukee, 19; Knoblauch, Minnesota, 17; Damon, K. City, 16; McLemore, Texas, 16.

PITCHING (11 Decisions)—Pavlik, Texas, 12-2, .857, 4.57; Nagy, Cleveland, 11-2, .846, 3.62; B. Wells, Seattle, 10-2, .833, 3.41; Pettitte, New York, 14-4, .778, 3.67; Baskie, California, 10-3, .769, 4.21; McDonald, Milwaukee, 10-3, .769, 3.88; DOliver, Texas, 8-3, .727, 4.17.

STRIKEOUTS—Clemens, Boston, 152; Finley, California, 123; A. Fernandez, Chicago, 121; Mussina, Baltimore, 116; Guzman, Toronto, 114; Alvarez, Chicago, 113; Appier, Kansas City, 109.

SAVES—Wetteland, New York, 33; R. Hernandez, Chicago, 28; Percival, California, 24; Mesa, Cleveland, 24; Henneman, Texas, 21; Montgomery, Kansas City, 19; R. Myers, Baltimore, 18.

National League Leaders

	G	AB	R	H	Avg.
Piazza LA	85	318	49	114	.358
EYoung Col	75	301	70	106	.352
Grace ChC	76	297	47	102	.343
Burks Col	89	359	84	122	.340
TGwynn SD	70	269	44	91	.338
Bichette Col	92	380	77	126	.332
Grudzielanek Mon	86	381	68	123	.323
Mabry Stl.	87	320	40	103	.322
LJohnson NYM	93	401	69	128	.319
BJordan Stl.	77	286	53	90	.315

RUNS—Burks, Colorado, 84; Bichette, Colorado, 77; Finley, San Diego, 74; CpJones, Atlanta, 71; E. Young, Colorado, 70; Bagwell, Houston, 70; Bonds, San Francisco, 70; R. Henderson, San Diego, 70.

RBI—Bichette, Colorado, 87; Galarraga, Colorado, 79; Burks, Colorado, 78; Bagwell, Houston, 77; CpJones, Atlanta, 73; H. Rodriguez, Montreal, 73; Sosa, Chicago, 73; McGriff, Atlanta, 73.

HITS—L. Johnson, New York, 128; Bichette, Colorado, 126; Grudzielanek, Montreal, 123; Burks, Colorado, 122; Finley, San Diego, 116; Lansing, Montreal, 114; Piazza, L.A., 114; Grissom, Atlanta, 114.

DOUBLES—Finley, S. Diego, 29; Lansing, Montreal, 27; Bagwell, Houston, 26; Burks, Colorado, 26; H. Rodriguez, Montreal, 25; Castilla, Colorado, 25; DBell, Houston, 25; Bichette, Colorado, 25; Javier, San Fran., 25.

TRIPLES—L. Johnson, New York, 14; Grissom, Atlanta, 7; Finley, San Diego, 7; Morandini, Philadelphia, 5; Lankford, St. Louis, 5; D. eShields, Los Angeles, 5; Vizcaino, New York, 5; DeWhite, Florida, 5.

HOME RUNS—Sosa, Chicago, 30; H. Rodriguez, Montreal, 26; Sheffield, Florida, 26; Piazza, Los Angeles, 25; Klesko, Atlanta, 24; Burks, Colorado, 24; Bonds, San Francisco, 24.

STOLEN BASES—E. Young, Colorado, 32; L. Johnson, New York, 31; D. eShields, Los Angeles, 30; McRae, Chicago, 27; RHenderson, San Diego, 24; Larkin, Cincinnati, 23; 6 are tied with 20.

PITCHING (11 Decisions)—Smoltz, Atlanta, 15-4, .789, 2.96; Neagle, Pittsburgh, 11-4, .733, 3.07; Gardner, San Francisco, 8-3, .727, 3.73; Hamilton, San Diego, 10-4, .714, 4.63; Reynolds, Houston, 11-5, .687, 3.60; Ritz, Colorado, 11-5, .687, 4.63; I. Valdes, Los Angeles, 10-5, .667, 3.16; Glavine, Atlanta, 10-5, .667, 2.53.

STRIKEOUTS—Smoltz, Atlanta, 159; Nomo, Los Angeles, 143; Kile, Houston, 132; P. JMartinez, Montreal, 129; Fassero, Montreal, 125; Reynolds, Houston, 124; Stottlemyre, St. Louis, 114.

SAVES—J. Brantley, Cincinnati, 24; TdWorrell, Los Angeles, 23; Bottalico, Philadelphia, 21; Wohlers, Atlanta, 20; Franco, New York, 20; Hoffman, San Diego, 18; Nen, Florida, 18.

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Hiroshima	47	29	0	.618	—
Chunichi	41	35	0	.539	6
Yomiuri	41	37	0	.526	7
Yakult	39	38	0	.506	8½
Yokohama	32	46	0	.410	16
Hanshin	32	47	0	.405	16½

WEDNESDAY'S RESULTS

Hiroshima 7, Hanshin 5, 10 innings
Yomiuri 9, Chunichi 3
Yakult 12, Yokohama 3

PACIFIC LEAGUE

	W	L	T	Pct	GB
Nippon Ham	49	32	2	.602	—
Orix	42	34	3	.551	4½
Lotte	37	40	2	.481	10
Kintetsu	36	40	1	.474	10½
Daiei	35	44	1	.444	13
Seibu	33	42	3	.442	13

WEDNESDAY'S RESULTS

Nippon Ham 9, Seibu 2
Orix 5, Lotte 4, 10 innings
Daiei 5, Kintetsu 2, 10 innings

CYCLING

Tour de France

Leading placings in the 17th stage — over 262-km (162-miles) from Argeles Gazost, France to Pamplona, Spain on Wednesday:

1, Laurent Dufaux, Switzerland, Festina 7 hours, 7 minutes, 8 seconds; 2, Bjarne Riis, Denmark, Deutsche Telekom, same time; 3, Richard Virenque, France, Festina 20 secs behind; 4, Jan Ullrich, Germany, Deutsche Telekom, s.t.; 5, Luc Leblanc, France, Polti, s.t.; 6, Piotr Ugrumov, Latvia, Rostalto, s.t.; 7, Fernando Escartin, Spain, Kelme, s.t.; 8, Peter Luttenberger, Austria, Carrera, s.t.; 9, Massimiliano Lelli, Italy, SAECO, 8:28; 10, Paolo Savoldelli, Italy, Rostalto, s.t.

OVERALL STANDINGS: 1, Riis 81 hours, 15 minutes and 34 seconds; 2, Ullrich 3:59 behind; 3, Virenque 4:25; 4, Dufaux 5:52; 5, Luttenberger 6:19; 6, Escartin 7:23; 7, Ugrumov 7:48; 8, Leblanc 8:01; 9, Olano 11:12; 10, Rominger 11:24. Others: 11, Indurain 15:36; 19, Yevgeny Berzin, Russia, Gewiss 37:22; 25, Alex Zulle, Switzerland, ONCE, 52:58.

SOCCER

UEFA Cup

PRELIMINARY ROUND, FIRST LEG

FC Teuta 1, Kosice 4
Scorers: FC Teuta — Gentian Begeja (3d minute); Kosice — Miroslav Sovic (45th, 66th), Martin Obsitnik (85th), Jozef Kozlej (87th).

Slavia Sofia 4, Iskaras-Gritas 3
Scorers: Slavia — Roumen Panayotov (31st, 72d), Dimitar Talev (42d), Todor Pramatarov (85th); Iskaras — Talus Matchulavichus (9th, 17th, 76th).

Beceij 8, Myra 0

Haka 2, Flora Tallinn 2
Scorers: Haka — Sami Ristila (56th, 80th); Flora — Meelis Rooba (22d), Lihvo Leetmaa (90th).

FC Jazz 3, Gota Ifrottsforlag 1
Scorers: FC Jazz — Jonni Sukkanen (38th), Tommi Leivo-Jokimaki (49th), Piracala (77th); Gotu IF — Helmason (89th).

Hutnik Krakow 9, Khazri Buzovna 0
Scorers: Dariusz Romuzga (37th, 67th), Jerzy Wojnecki (65th, 74th), Marek Zajac (70th, 73d), Yahaya (29th), Sergei Sinyavski (85th, pen), Bartlomiej Jamrac (90th).

Dynamo Tbilisi 4, CS Grevenmacher 0
Scorers: Alexander Iashvili (36th, 72d), Kakha Gogichaishvili (78th), Georgy Demetradze (87th).

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Bought contract of C Jay Ahrent from the Will County Cheetahs, HL, and assigned him to the Orioles' Gulf Coast League affiliate.

BOSTON—Activated OF-DH Kevin Mitchell from 15-day disabled list. Optioned C Alex Delgado to Pawtucket, IL.

CALIFORNIA—Put C Don Slaught on 15-day disabled list, retroactive to July 12. Recalled INF George Arias from Vancouver, PCL.

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

DENNIS THE MENACE

"Is DAD STILL MAD JUST BECAUSE I PATCHED THE HOLES IN HIS BOWLING BALL?"

JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter in each square, to form four ordinary words.

SIDAY
RITHM
WUTTIO
CROONB

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ____ ____

(Answers tomorrow)

Yesterday's Jumbles: CANAL PHONE MARKED PURITY
Answer: What the king consigned his toothache to — A ROYAL PAIN

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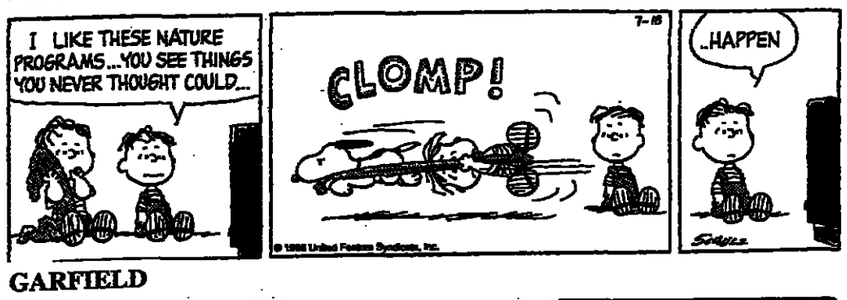
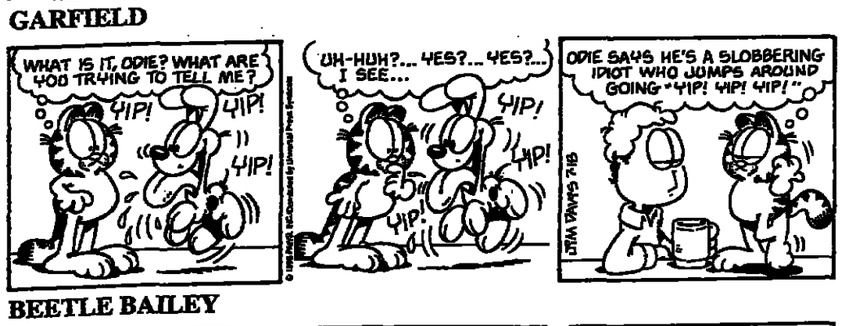
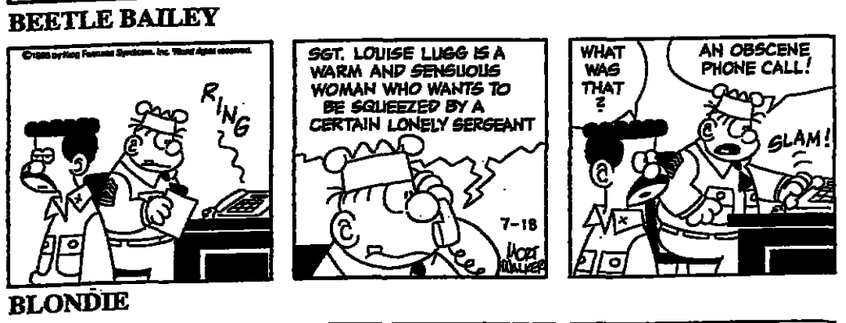
PEANUTS



GARFIELD



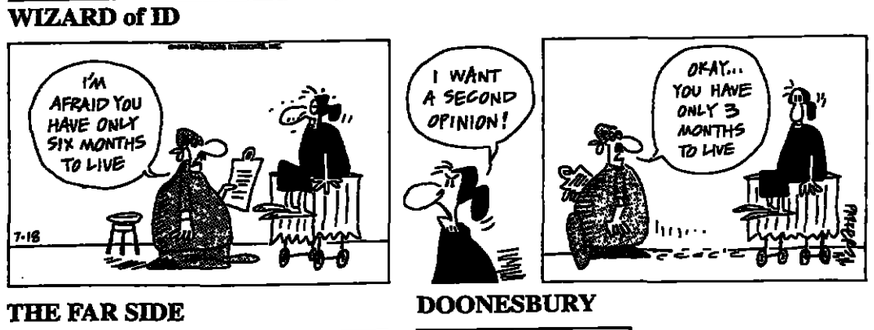
BEETLE BAILEY



BLONDIE

CALVIN AND HOBBES

WIZARD of ID



THE FAR SIDE

"Again? What is it with you that as soon as you put one fin on the land you have to go?"

DOONESBURY

ART BUCHWALD

For Whom D.C. Tolls

WASHINGTON — I saw it. I saw it. I saw "Independence Day."

I made eight or nine tries only to fail each time at the very last moment. But I was determined. So one day on Martha's Vineyard, I packed a picnic basket, took a copy of "For Whom The Bell Tolls" and a canvas chair and showed up at the Capawock Theater at 4 o'clock in the afternoon for the 7 o'clock show.

Buchwald

I wasn't the first one. Forty people were in line before me — some of whom had slept there all night. But my place was secure and, when the doors opened, I was one of the few blessed millions who would see the most successful sci-fi movie of all time.

□

I didn't know what to expect, but I had a large bucket of popcorn to calm my anxiety.

It was a short wait. One of the major targets of the aliens, whose unbelievably large cloud hovered over the United States, was Washington, D.C.

In one fell swoop, these terrible creatures wrecked the White House, the Washington Monument and the Capitol and drove the inhabitants out of their gourds.

"Why," I said to myself, "are you not impressed?"

Then it dawned on me — in actual fact, nobody knows any more if the nation's capital has been attacked by aliens, or if the residents brought all the devastation on themselves before the invaders arrived.

At this very moment, the real Washington doesn't have safe drinking water, its potholes are the largest in the Western hemisphere, its computers don't work, it is bankrupt, and we have a mayor whose personal problems cause him to disappear from the city just when the citizens need him. Why would any alien in his right mind want to waste missiles on a place that's in shambles already?

□

I observed that, in the film, the president of the United States did not appear too concerned about damage control in the capital once the aliens had destroyed it, and he then escaped on Air Force One.

I know that "Independence Day" is only a movie, but I would like to know where Clinton and Dole stand, in case spacemen make their move on our fair city.

After Washington is knocked out, the spaceships attack other cities such as Los Angeles (nobody in the theater cared) and my popcorn-eating began in earnest. I can't divulge the plot because it's so clear and concise and fraught with credibility. I don't want to spoil it for anybody other than to say that the president offers the aliens peace and they tell him to shove it.

□

So, what are we sophisticated, intelligent, educated people to make of all this? The message is that most people really don't have enough to do with themselves in the summertime, and if you can find a movie theater to stand in front of for four hours, your vacation is made.

Americans need movies about people from outer space who wish to destroy us. That way we can't blame our problems on ourselves. It's them, not us, and it only costs $7.50 to see what the enemy looks like.

Anonymous Unmasked: A True-Life Whodunit

By David Streitfeld
Washington Post Service

WASHINGTON — Confronted with the evidence — handwritten changes to the manuscript of the novel "Primary Colors" — Newsweek columnist and CBS commentator Joe Klein admitted Wednesday that he was the "Anonymous" author of the wildly successful satire of the 1992 Clinton campaign.

Maureen Casey Owens, a top document examiner and past president of the American Academy of Forensic Sciences, studied Klein's handwriting alongside copies of amended manuscript pages and concluded that "the two samples of handwriting are absolutely consistent throughout."

In the past, Klein vehemently denied being the author of "Primary Colors." "For God's sake, definitely, I didn't write it," he said in February, and even told a Washington Post editor he would stake his credibility as a journalist on it.

He didn't deny it Tuesday, however. Queried by telephone about the handwriting analysis, a vacationing Klein at first asked for five minutes' grace, then called back to say, "I have no comment." Asked if he wrote the novel, he ended the phone call by saying, "I've said everything I have to say."

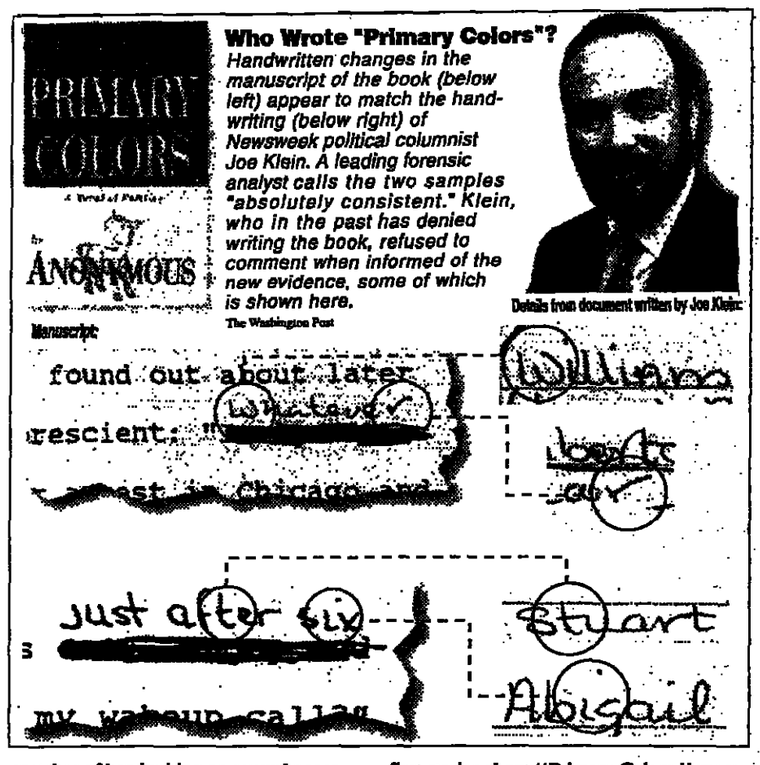
But on Wednesday, Random House, the book's publisher, scheduled a news conference where Klein spoke. He said he decided to reveal his name after the report on the handwriting analysis appeared in the Post.

Klein said he had decided to offer the book to publishers anonymously because he had never written fiction before and he wasn't sure if it was any good. He kept his identity a secret he said, because "I had made a commitment to myself and to the work and to Random House to remain anonymous."

The quest for the author riveted political circles last winter, especially after President Clinton teased the press corps by saying it was "the only secret I've seen kept in Washington in three years."

More than 1.1 million copies of the novel are in print in the United States alone. A big-budget Hollywood movie is in development.

The mystery began to unravel with the help of a secondhand bookseller, who offered for sale a bound manuscript of "Primary Colors" dated April 1995 — just after Random House acquired it. Marked "CONFIDENTIAL. For your eyes only!! Do not distribute to booksellers!!" the typescript boasts brief snatches of handwriting on several pages.



From another source, the Post obtained several pages of Klein's handwriting. The Post hired Owens, for many years the chief document examiner for the Chicago Police Crime Laboratory, who frequently testifies about handwriting comparisons in court. She cautioned that although there were many matches, it would have been helpful if the manuscript had had more handwriting, and that she would have liked to be able to examine the original manuscript, rather than a second-generation photocopy.

Still, she said, "there is nothing I see that is divergent. Everything is in agreement." While handwriting analysis is not as scientific as, say, fingerprinting, Owens noted that "we've never found two people who write exactly the same. Even twins."

Klein was mentioned as a suspect in the first stories about "Primary Colors," more than a year ago. Then — partly because the novel contains an unflattering portrait of a reporter who resembles Klein — the case for his candidacy flagged.

Still, there were believers in Klein. The first to make a good case was the former Clinton speech writer David Kusnet, writing in the Baltimore Sun. He pointed out that both Klein and Anonymous have a deep interest in New York City politics, and that they had the same attitudes on race. Klein himself admitted that Anonymous was obviously "a very close reader of my column and probably watched me on TV a lot, and may even have been someone I've spoken to."

Kusnet's piece was followed by a much more heavily publicized article in New York magazine. Donald Foster, the Vassar professor who had used computer analysis to convince scholars that Shakespeare was the author of an obscure elegy, was hired by New York to do the job on Anonymous. After winnowing through a bunch of suspects, he came up with Klein, and demonstrated at length how they both loved adjectives with "y" endings, such as "talky," "slushy" and "sleazy," among other comparisons.

The article stated unequivocally that "Joe Klein wrote 'Primary Colors,'" but it quickly turned out that Foster didn't write that — New York Editor Kurt Andersen did. "I think it's quite possible there are two people involved in the book," Foster waffled. Klein, who wasn't quoted in the article, put a lengthy message on his voice mail denying all.

"Primary Colors" had a first printing of 62,000 copies, a good but not great number for a commercial novel. Random House, as the cover of the April 1995 manuscript reveals, always intended to milk the whodunit angle. The cover announces a "publicity campaign to tie in with presidential primaries — copies to press covering the candidates, political columnists and opinion-makers, and a guess-who campaign pitched to national TV, radio and print."

Inspired by good-but-not-great reviews and the guessing game, the book immediately developed into a frenzy that astonished even publishing veterans. With royalties, paperback, movie and foreign rights, the book will earn its author at least $6 million, and probably considerably more.

The book is still selling well. Random House is still running frequent ads, and had been planning to distribute buttons proclaiming "I Wrote 'Primary Colors'" at both political conventions. And the publisher has submitted the novel for a Pulitzer Prize, an act that involved Klein's agent, Kathy Robbins, writing a letter attesting that Anonymous was a U.S. citizen.

Klein has been living well, if not exactly lavishly, in the past year. In July 1995, a few months after Random House bought "Primary Colors," he bought a $630,000 house in Pelham, a New York suburb, real estate records show.

He took on a $310,000 mortgage, suggesting that he plonked down $320,000 in cash. Three cars are registered in his name in New York — an Acura and two Fords. The newest is two years old. The talk at Pelham dinner parties this spring included gossip that his daughter was boasting at school, "My daddy is rich."

PEOPLE

IF President Bill Clinton and **Bob Dole** take time from their campaign schedules to view a sculpture show, they might find an issue they could agree on — restoring the fig leaf. The Democratic and Republican standard-bearers are depicted in an exhibition of 28 bronze nudes that also show **Ronald Reagan, House Speaker Newt Gingrich** and **Hillary Rodham Clinton**. "That's who we are underneath," said sculptor **Nicholas Swearer**, whose earlier works depicted lizards. The lack of working models apparently left much to the artist's imagination. Dole's right arm is outstretched "blocking Clinton's attempt at change, while his left arm scratches his brow unable to articulate his own agenda or direction," Swearer said. Actually, Dole's right arm has been disabled since World War II. Clinton is shown with one arm outstretched "looking to the public and calling for change," while his left arm, nearly at his side, represents "his inability to effect change," said Swearer, whose work is displayed in Essex, Connecticut.

□

A security guard at **Sylvester Stallone's** $8 million bay-front mansion was critically wounded Thursday by a fellow guard who apparently was trying to break into the star's home, the Miami police said. The actor, who was in New York at the time, was notified of the shooting after police were called to the Stallone complex on Biscayne Bay just after 5 A.M. "It appears some terrible confrontation happened in the guard shack," police **Lieutenant Bill Schwartz** said. "There's glass on the floor, blood, water, a telephone off the hook, a ski mask and a baseball bat lying on the floor." Officers also encountered a man in a guard's uniform. "The offender was drenched in blood from the knees down," Schwartz said. "He said he got into a confrontation with a fellow security guard and ended up shooting and stabbing him."

□

The director **Emir Kusturica**, whose Cannes festival winner "Underground" dragged him into a bitter dispute, has decided to go back on his pledge to quit filmmaking, his French producers say. The Sarajevo-born director, who lives in Normandy and became a French national three months ago, will start filming a comedy in April entitled "The Swedish King, on His Bicycle, Friday Afternoon." It will star France's **Daniel Auteuil**, who won a joint best actor prize at this year's Cannes festival for "The Eighth Day." Kusturica, 42, vowed in December to stop directing following a polemic in which he was accused of being a Serb apologist. "Underground," which spans the 50 tumultuous years from the Nazi bombing of Belgrade in 1941 to the war in Bosnia, promotes the idea of a united Yugoslavia. Kusturica's 1985 film "When Father was Away on Business" also won a Cannes Golden Palm.

□

After months of rumors, the tennis great **Martina Navratilova** has confirmed that she loves a niece of **Attorney General Janet Reno** "in a way I haven't loved before." And **Hunter Reno**, a blond L'Oréal model, calls Navratilova "a very special person." So the Human Rights Campaign is firing off a letter to the statuesque model inviting her to appear next month in Chicago at OutVote '96, the first national gay political convention. **Chastity Bono, Candace Ging-rich** and the pro golfer **Muffin Spencer-Devlin** already are scheduled to come.

□

The former talk show host **Morton Downey Jr.** has been discharged from a Los Angeles hospital in good condition after surgery to remove a tumor and part of his right lung. Downey, 63, was in "good spirits" as he left the hospital, a spokesman said. Surgeons removed a quarter of Downey's right lung Friday. They said it did not appear the cancer had spread.

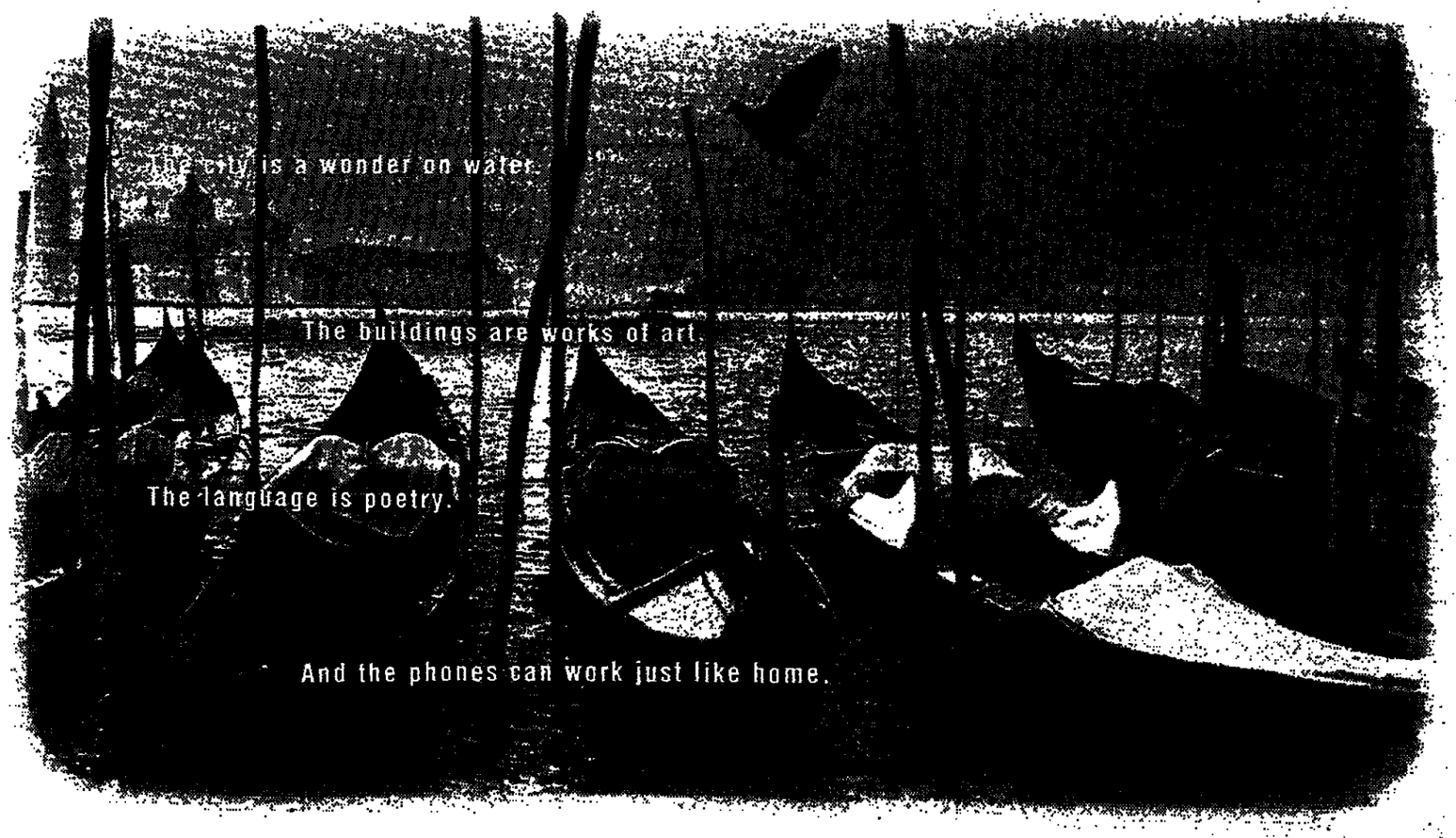
□

Madonna and her New York City neighbors may have to hire a new doorman and taxi chaser after 63-year-old **Donald Orr** won $8.5 million in the New York lottery this week. "As of yesterday," the lucky doorman said, "I stopped taking tips."

□

A 59-year-old British cleaning lady is leaving her small Welsh hometown to star in a new Hollywood film, "Into the Wood." The role should not pose a problem for **Wendy Phillips**. She plays a Welsh woman who wins an unexpected trip to Hollywood. Phillips reportedly has no plans to quit her £40 ($62) a week cleaning job at the primary school in Pontycymer, where she has worked for 26 years. She was discovered through a mutual friend by **Sarah Sugarman**, director of "Into the Wood," which is also expected to feature **Tony Curtis** and **Anthony Hopkins**.

Wendy Phillips of Wales, who is going to Hollywood.



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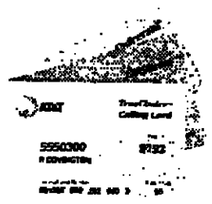

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Germany	0130-0010
Greece ◆	00-800-1311
Ireland	1-800-550-000
Italy ◆	172-1011
Netherlands ◆	06-022-9111
Russia ◆▲(Moscow)◆	755-5042
Spain ◇	900-99-00-11
Sweden	020-795-611
Switzerland ◆	0-800-550011
United Kingdom ▲	0800-89-0011

MIDDLE EAST	
Egypt ◆(Cairo)◆	510-0200
Israel	177-100-2727
Saudi Arabia ◇	1-800-10
U.Arab Emirates ◆■	800-121
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